

A CORNER OF EUROPE EXPLODES

Herald Tribune

INTERNATIONAL



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NATO Missiles Open Air War Against Yugoslavia



Members of the group Families of the Detained and Disappeared waiting in Santiago on Wednesday for the ruling to be announced.

British Court Denies Immunity to Pinochet

But Ruling May Let Him Return to Chile

By Warren Hoge
New York Times Service

LONDON — The Law Lords ruled Wednesday that General Augusto Pinochet must remain in England and face possible extradition to Spain, but they significantly narrowed the charges on which the case will turn.

In a 6-to-1 decision, the Law Lords, who constitute the highest court in England, said that the former Chilean dictator could not be extradited on allegations of crimes committed before 1988, the year in which torture committed overseas became a crime punishable in Britain.

Almost all of the crimes against humanity with which the 83-year-old general is charged date from an earlier period of his 1973 to 1990 rule of Chile.

The Lords also directed the British home secretary, Jack Straw, to reconsider whether he wanted to go forward with the extradition proceedings now that General Pinochet has been found no longer answerable to the major counts against him.

The result of this decision, "Lord Browne-Wilkinson, the senior Law Lord, told the peers, "is to eliminate the majority of the charges leveled against Senator Pinochet by the government of Spain and relied upon as the basis for extraditing him."

The extradition request from Spain

that Mr. Straw approved in an "authority to proceed" decision in December had been predicated on charges of murder, conspiracy to murder, hostage-taking, torture and kidnapping. In a statement Wednesday night, Mr. Straw promised to heed the court's direction to review his finding "as swiftly as possible."

The unexpected emphasis on the issue of extradition in the verdict served to overshadow a significant finding on the principle of law on which the five-month old Pinochet case first reached the Lords, the claim of sovereign immunity. All but one of the seven judges turned down the general's claim that as a former head of state he was immune from arrest, an almost complete reversal of the original High Court verdict on the question last October.

The message is loud and clear," said a spokesman for Amnesty International, a participant in the case.

"Head-of-state immunity does not grant freedom to commit crimes against humanity and acts of torture."

But while the general lost that critical legal argument, he gained ground in his personal struggle to leave England and return to Chile. On Wednesday afternoon, his lawyers obtained a hearing before the High Court on Monday to seek his early

See PINOCHET, Page 7

EU Leaders Unanimous: Prodi to Run Commission

A Great Challenge, Ex-Italy Prime Minister Says

By Barry James and John Schmid
International Herald Tribune

BERLIN — European governments moved quickly Wednesday to fill a political vacuum at the center of the European Union by unanimously nominating Romano Prodi, a former prime minister of Italy, as president of the embattled European Commission, which resigned last week after a report accused it of serious mismanagement and lack of responsibility.

Chancellor Gerhard Schroeder, celebrating a major success for Germany's presidency of the EU, announced the appointment, telling a reporter who asked if there had been any disagreement or discussion about other candidates to "just enjoy it."

"It will be a great challenge," Mr. Prodi said in Frankfurt, where he was attending a financial conference.

He said the EU faced many urgent problems, among them its administrative methods and dealings with non-

European countries. "The biggest is probably that we must help to find new rules for the working of the commission," Mr. Prodi said. "First of all we have to make the machinery work again."

Mr. Schroeder said that Mr. Prodi, a 59-year-old economist who was ousted as prime minister in a confidence vote last October, fulfilled the criteria for commission president in "an ideal way." He attracted attention both as a political heavyweight and for the way he knocked the Italian economy into shape to join the European single currency.

To those qualities, Mr. Schroeder added Mr. Prodi's "unquestioned integrity" — an important political factor in light of the allegations of corruption and nepotism that contributed to the commission's resignation and raised fears of lost public trust in the EU.

Mr. Prodi — as the first southern European to be elected to the top commission post, a Roman Catholic, a leftist, a proven politician and an economist — was expected to win overwhelming support in the Parliament, particularly from its leading Socialist and Christian Democratic groups.

"Europe built on compromises," a French spokesman said. "And Mr. Prodi is the best synthesis of all the compromises."

Government leaders will meet with him early next month, the chancellor added, to discuss a "thorough reform" of the commission, to increase the "transparency and openness" of the bureaucracy in Brussels and to bring it closer to Europe's citizens.

Leaders were hoping that Mr. Prodi

Newstand Prices	
Malta	1,000 BD
Cyprus	1,000 L.C
Denmark	1,000 DKK
Ireland	12,000 P.M.
Greece	5,000 DR
Portugal	1,000 P.M.
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INTERNATIONAL

Paraguay in Turmoil After Murder of Official

Congress Acts to Impeach Accused President

Compiled by Our Staff From Dispatches

ASUNCION, Paraguay — The retired armed forces chief whom the followers of Vice President Luis Maria Argana hold responsible for his assassination denied Wednesday that he had surrendered to the authorities.

Lino Oviedo, the retired general, went to the presidential palace amid a swirling political and power crisis including the start of impeachment proceedings against President Raul Cubas, who has also been blamed in the assassination of Mr. Argana.

The situation remained confused after President Cubas reportedly said that Mr. Oviedo had been detained, but Mr. Oviedo told reporters, "I have not come to be put under arrest. I am presenting myself at a military tribunal to clarify my legal situation."

Mr. Oviedo was sentenced to 10 years in prison in 1996 for attempting a coup against President Juan Carlos Wasmosy. Mr. Cubas has declined to arrest him, which caused a split between him and Mr. Argana, who was slain in an ambush in the capital on Tuesday.

The president's defiance over the last few months of a Supreme Court ruling that Mr. Oviedo must serve his sentence has caused a bitter power struggle between two rival factions of the governing Colorado Party: one led by Mr. Oviedo, the other by Mr. Argana.

Lawmakers angered by the slaying of the vice president voted Wednesday to begin impeachment hearings against President Cubas.

In a packed session of legislators in Paraguay's lower house, opponents of Mr. Cubas endorsed an unprecedented plan to eject the president by a vote of 59 to 24. They accused him of mishandling his duties by refusing to jail Mr. Oviedo. Scrutiny broke out in the early morning session, which came hours before Argana was to be buried.

Later Wednesday, the Senate decided to summon the president to appear at impeachment hearings Thursday morning.

President Bill Clinton on Wednesday condemned the killing of Mr. Argana and called for an end to Paraguay's "political turmoil."

"We strongly condemn this brutal murder, which occurred against the backdrop of continued political turmoil in Paraguay," Mr. Clinton said in a statement.

He urged "all Paraguayans to put aside politics and draw together in the interest of all Paraguayans to support the democratic process."

Mr. Argana's body was scheduled to be put on display at Colorado Party headquarters Wednesday afternoon, followed by a showing inside Paraguay's Congress building. His funeral was to be held later Wednesday.

A lawyer for the Argana family, Jose Alberto Planas, warned Mr. Cubas not to attend the funeral. "We sent a message to the president's office for him not to come because he'll be thrown out," he said. "I repeat Cubas is Oviedo's accomplice in this barbarous killing of Dr. Argana."

In Asuncion, troops kept order during the first day of a general strike by unions who called Mr. Cubas "murderous" and demanded his removal.

(Reuters, AFP, AP)



Riot policemen confronting a protester after demonstrations followed the assassination of Vice President Argana.

At Least 32 Die in Wreck of Kenya Tourist Train

Reuters

NAIROBI — A passenger train carrying Kenyans and hundreds of tourists from abroad to the coastal port of Mombasa derailed at high speed on Wednesday, killing at least 32 people, including five foreigners.

The Kenyan police commissioner, Philemon Abongo, said he did not know the nationalities of the five non-Kenyans because the top priority for the rescue teams had been to get seriously injured passengers to the hospital.

"As of now, there are 32 passengers confirmed to be dead and another 100 injured," he said.

Witnesses said at least 23 non-Kenyans on their way to Indian Ocean beach holidays had been critically injured, including nine French and eight British nationals. Diplomats said they had still not accounted for dozens of their nationals.

An official source said at least one French citizen was among those killed.

Danielle Delmas, a survivor who works for Air France in Paris and was

escorting a group of 13 French tourists, said she saw 40 fatalities, including two French people from a separate group.

The French Embassy said 86 of its nationals were aboard the train.

The overnight train derailed near a junction called Man-Eaters, about 300 kilometers (200 miles) southeast of Nairobi. Survivors said it was traveling at high speed when it went off the tracks on a curve, overturning one car and tipping at least four others onto their sides. "One of the cars in third class was

thrown upside down, and that is where the people died," said Michael Greenwood, 59, of Fort Lauderdale, Florida.

Others said they believed the train had been going too fast and that more people would have survived if the rescue had been quicker. Beatrice Perez, a survivor with broken legs, said she waited six hours for evacuation by helicopter.

Some said they had to break windows to free themselves. The doors and windows of the train are locked to stop thieves from boarding.

Inquiry Faults 737 Rudder System in 2 Crashes

Compiled by Our Staff From Dispatches

SPRINGFIELD, Virginia — The National Transportation Safety Board declared Wednesday that a rudder reversal caused the 1994 crash of USAir Flight 427 near Pittsburgh, as well as a 1991 crash in Colorado and another near-crash in 1996.

The safety board, concluding a hearing into the cause of the USAir crash, found unanimously that the current design of the rudder system on the Boeing 737 — the type of plane involved in all three cases — was not "reliably redundant."

The 737 is the most widely used jetliner in commercial aviation, with more than 3,100 in the worldwide fleet.

It is the only commercial aircraft that has two rudder control systems merging in a single hydraulic valve.

The board agreed that a jam of that valve caused the crash of Flight 427, the 1991 crash of United Airlines Flight 838 near Colorado Springs, Colorado, and a 1996 incident in which the pilots of an Eastwind Airlines 737 struggled to maintain control of their aircraft as they prepared to land in Richmond, Virginia.

The USAir crash killed all 132 people aboard; all 25 on the United flight were killed.

Boeing accepted the findings on all three cases but contended that a new rudder control unit now being installed in 737s, as well as revised flight-crew training and a "limiter" device being installed on 737 rudders, make the planes safe.

"We have completely eliminated any possibility of a reversal," said Charlie Higgins, vice president of airplane safety and airworthiness.

The rudder panel runs up the tail of an aircraft and sweeps the nose left and right. In a reversal, a jam or misalignment in the controlling linkage could cause it to go in the direction opposite of that which the pilots intend when they press the rudder pedals.

Under those circumstances, a pilot trying to recover from a minor control problem — as was the case for the crashes and the near-miss — could make the situation worse.

Boeing released a statement saying that it would make the 737 "even safer" when "the facts show us an opportunity" to do so.

Boeing had said that its investigation of the three incidents found no physical evidence of a rudder reversal.

In a submission to the board, the company mentioned the possibility of pilot error in the Pittsburgh crash, a powerful wind in the United crash and a misaligned yaw

trim tab in the 1996 crash.

"We have completely eliminated any possibility of a reversal," said Charlie Higgins, vice president of airplane

safety and airworthiness.

The rudder — another element of the rudder system — for the Eastwind incident.

Staff members of the board rebutted those explanations, in one instance saying the wind that Boeing cited in the Colorado Springs crash would have had to have been 36 times stronger than any similar "wind rotor" ever recorded in that city.

(AP, Reuters)

Israeli Public Workers Start a General Strike

Agence France-Presse

JERUSALEM — Israel's 400,000 public-sector workers began a general strike Wednesday for higher pay, less than two months ahead of national elections.

Prime Minister Benjamin Netanyahu accused union leaders of "blackmail" for timing the stoppage ahead of the Jewish Passover holiday next week and the May 17 elections.

The strike severely disrupted airports, ports and government services nationwide. Business leaders warned of high economic costs.

2 U.S. Citizens Get Order to Quit Mexico

MEXICO CITY — Shrugging aside a court ruling questioning earlier expulsions, Mexico said it was ordering two U.S. citizens to leave the country for violating a ban on meddling in politics.

The Interior Secretariat identified the two as Paul Levens England and Joseph Patrick Flaherty.

Jerusalem Project

JERUSALEM — The Israeli government announced Wednesday a major development project for Jerusalem that is designed to strengthen Israel's hold on the city. The plan includes the construction of housing to attract new Jewish immigrants to the city, a spokesman said.

Reporter Deaths in '98

WASHINGTON — At least 24 journalists were killed while doing their jobs in 1998, while 118 were in jail, the U.S.-based Committee to Protect Journalists said Thursday.

The committee said Colombia, where 43 journalists were murdered in the past decade, remained the most deadly country in the world.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.



Maps, forecasts and data provided by AccuWeather, Inc. ©1999 - <http://www.accuweather.com>

North America

	Today	High	Low	Wind	Condition
Alaska	Today	High	Low	Wind	Condition
Arizona	Today	High	Low	Wind	Condition
Arkansas	Today	High	Low	Wind	Condition
California	Today	High	Low	Wind	Condition
Colorado	Today	High	Low	Wind	Condition
Connecticut	Today	High	Low	Wind	Condition
Delaware	Today	High	Low	Wind	Condition
Florida	Today	High	Low	Wind	Condition
Georgia	Today	High	Low	Wind	Condition
Hawaii	Today	High	Low	Wind	Condition
Idaho	Today	High	Low	Wind	Condition
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Washington	Today	High	Low	Wind	Condition
West Virginia	Today	High	Low	Wind	Condition
Wisconsin	Today	High	Low	Wind	Condition
Wyoming	Today	High	Low	Wind	Condition

Legend: S=sunny, P=partly cloudy, C=cloudy, A=rain, H=heavy rain, B=blizzard, W=winter, N=none, N-W=variable.

Today: 9:00 AM Local Time
High: 10:00 AM Local Time
Low: 10:00 PM Local Time
Wind: 10:00 AM Local Time

Condition: 10:00 AM Local Time
Wind: 10:00 AM Local Time

Asia

	Today	High	Low	Wind	Condition
Albany	Today	High	Low	Wind	Condition
Bell	Today	High	Low	Wind	Condition
Bangkok	Today	High	Low	Wind	Condition
Berlin	Today	High	Low	Wind	Condition
Beijing	Today	High	Low	Wind	Condition
Cheng Mai	Today	High	Low	Wind	Condition
Colombo	Today	High	Low	Wind	Condition
Denpasar	Today	High	Low		

THE AMERICAS

McDougal Finally Testifies, but Leaves Questions

By Neil A. Lewis
New York Times Service

LITTLE ROCK, Arkansas — Susan McDougal, whose steadfast refusal to answer prosecutors' questions about President Bill Clinton put her in jail for 18 months, has now crisply and directly answered those questions in a federal court, testifying that she had no knowledge of any wrongdoing by Mr. Clinton. Mrs. McDougal took the witness stand Tuesday in her own defense at a trial in which prosecutors for the independent counsel Kenneth Starr have accused her of criminal contempt and obstruction of justice.

The prosecutors contend that Mrs. McDougal's stubborn refusal to answer questions before a grand jury on two occasions was calculated to obstruct their investigation into the complicated financial dealings of Mr. Clinton and his

wife, Hillary Rodham Clinton, in Arkansas in the 1980s.

But her answers Tuesday did little to illuminate one of the most puzzling aspects of the Whitewater investigation: why she would endure a lengthy prison term if she had nothing to conceal.

Under questioning from her lawyer, Mark Geragos, Mrs. McDougal an-

swered three of the principal questions that prosecutors tried to put to her in September 1996 and April 1998.

Mr. Geragos asked whether she ever had discussed with Mr. Clinton a loan of \$300,000 made to her in 1986 by an Arkansas businessman who testified he lent the money at the urging of Mr. Clinton. "I never discussed the loan with William Jefferson Clinton," Mrs. McDougal replied.

The lawyer also asked whether she had ever discussed a real estate development called Lorance Heights with Mr.

Clinton. Perhaps in a social setting, she responded, but "I certainly never discussed it in any substantive manner."

And finally, Mrs. McDougal was asked whether President Clinton testified truthfully at her 1996 trial in which she was convicted of fraud. "As I sat there that day, I did not hear anything untrue," she said.

On Wednesday, when Mr. Geragos completes his direct examination of Mrs. McDougal, he is expected to ask her the fourth question she would not answer for prosecutors: What is the meaning of her handwritten note, "Payoff Clinton," on a 1983 check for \$5,081.82?

Why did Mrs. McDougal refuse to answer prosecutors' questions if she had so little information to impart?

Because Mr. Starr, she said Tuesday and has said in the past, was more interested in getting the Clintons than in getting to the truth.

Indeed, much of her defense has been devoted to trying to put Mr. Starr and his tactics on trial. Asked Tuesday by Mr. Geragos why she had chosen the road of silence, she replied, "It was not an easy decision." She then began a long account of her life in Arkansas starting with when she met James McDougal, an Arkansas political fixture and sometime friend of Mr. Clinton who eventually became her husband. The McDougals and the Clintons were partners in the failed real estate venture known as Whitewater, which was the initial focus of Mr. Starr's investigation.

The prosecutors may follow up her answers with further questions. But it is possible that they will simply concentrate on the straightforward facts of their contempt case: that a federal judge gave Mrs. McDougal immunity and ordered her to testify and she refused to do so.

Mrs. McDougal also testified that during the 1992 presidential campaign, Mr. McDougal, from whom she was then divorced, told her that he had received a considerable sum of money from Sheffield Nelson, a Republican from Little Rock and political opponent of Mr. Clinton's, to talk to Jeff Gerth, a New York Times reporter, about the Clintons and Whitewater. She said he had told her that he would "go down in history" and that he would "pay back the Clintons." Mr. Geragos told reporters that Mrs. McDougal believed her husband was paid at least \$10,000 to talk with Mr. Gerth.

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Drew Angerer/The Associated Press

Susan McDougal leaving the courthouse in Arkansas after testifying.

'Millennium Baby' Mania Takes Hold

Choosing Their Moment, Couples Compete for the First Birth of 2000

By Patricia Davis
Washington Post Service

WASHINGTON — Claudette Gagnon's biological clock is ticking faster now. It's set for April 9.

She and her husband, Scott, believe that will be the optimum day to conceive the first baby of the new millennium. The Virginia residents, and nine other couples competing in a radio station's Millennium Conception contest, are hoping that a free night at the Cherry Blossom Travelodge in Arlington, Virginia, a candlelight dinner and some Barry White mood music will enhance their chances of winning.

Mrs. Gagnon, 34, a credit collection manager, who has a 13-year-old son from a previous marriage, said: "That would be just so exciting. You have a brand-new baby. It's the new millennium."

It doesn't seem to matter that, strictly speaking, the new millennium won't begin until 2001. As the optimum time of conception for a Jan. 1, 2000, delivery rapidly approaches, "millennium baby" mania is growing worldwide, giving birth to millennium baby contests, millennium baby Web sites and millennium baby trademarks.

BabyCenter.com, a pregnancy and parenting Web site, has created a spe-

cial area for parents interested in conceiving a millennium baby. At its online store, couples are snapping up \$49.99 Millennium Conception Kits, which include ovulation prediction tests, candles and massage oils.

A British television network reportedly touched off protests from church officials with its plans to track couples through Baby Race 2000, and ethical debates are raging on the Internet about the quest for a millennium baby.

One Norwegian town is planning to hold an "erotic week" to encourage couples to try to conceive. And on Z-104 FM in Washington, the "Billy Bush and the Bush League" radio show is holding a contest on April 9 and footing the bill for 10 married couples, including the Gagnons.

Mr. Bush, who has been inundated with calls from listeners wanting to sign up, said there was nothing unseemly about the contest. "It's about these people looking to do something fun and exciting," he said.

Area hospitals say it is too soon to predict whether there will be a baby boom. But they, along with other health agencies, are seizing the opportunity to dispense prenatal advice.

The March of Dimes is urging women to start taking a daily multivitamin containing 400 micrograms of folic acid immediately to help prevent birth

defects of the brain and spine. Eat more green leafy vegetables, too, they say.

Many obstetricians have calculated that April 9 would be the ideal day for conception. Barry Rothman, chief of obstetrics and gynecology for Inova Alexandria Hospital, said that for a woman to give birth on New Year's Day, the first day of her menstrual cycle needs to fall between March 20 and 30. Conception would then have to occur between April 3 and 13, with the 24-hour period between April 8 and 9 presenting the best opportunity, he said.

Of course, timing isn't everything. Dr. Rothman said the odds of a woman getting pregnant within the first six months of trying are about 60 percent. And even that can be influenced by many factors, including age, health and whether it is a first child, he said.

But that's not all. Fewer than 10 percent of women who carry to term deliver on their predicted due date, Dr. Rothman said. To anyone who might be tempted to induce labor or plan an early Caesarean, he said: "Don't fool around with Mother Nature."

Safa Rizka, president of the medical staff of Columbia Hospital for Women in Washington and an infertility specialist, said there was nothing wrong with wishing and planning. "If it happens, great," he said. "I don't think people should interfere."

Arsenic Risk in Water Underestimated

By Joby Warrick
Washington Post Service

WASHINGTON — The U.S. government has greatly underestimated the risk posed by arsenic in drinking water, allowing levels of the naturally occurring carcinogen that put large numbers of Americans at risk for bladder and lung cancer, a scientific panel has concluded.

The National Research Council, an arm of the National Academy of Sciences, urged the government to tighten its controls on arsenic "promptly," a move that would bring federal standards in line with guidelines already adopted by international health organizations and recommended by U.S. regulators 37 years ago.

The recommendation makes it virtually certain that the Environmental Protection Agency will significantly strengthen the nation's 50-year-old guidelines for arsenic in coming months, imposing new costs on municipal water suppliers and possibly complicating the cleanup of hazardous waste sites.

"Is the current standard protective of human health? The answer is: Not really," said Robert Goyer, the panel chairman and a professor emeritus of pathology at the University of Western Ontario. "There is a high risk of some cancers, especially bladder cancer."

Arsenic levels in the United States are generally much lower, but at least 32 million Americans, most of them in Western states, consume water that contains significant amounts of the chemical, according to a 1995 assessment.

■ Birth Defects Linked to Solvents

Canadian scientists said Wednesday that women who were exposed to organic solvents, like phenol, xylene and acetone, during pregnancy had a greatly increased risk of having babies with birth defects, the New York Times reported.

But several leading experts on birth defects said the study had serious methodological problems. They feared that the paper, published Wednesday in the Journal of the American Medical Association, would needlessly frighten pregnant women.

The research, by Dr. Sohail Khattak, a pediatrician and a clinical pharmacologist, Dr. Gideon Koren, a clinical phar-

macologist, and their colleagues at the Hospital for Sick Children in Toronto, involved women who contacted the hospital's program, Motherisk, for pregnant women who were worried that they have been exposed to something that might harm their fetuses.

The investigators focused on organic solvents that caused birth defects in animals when they were administered in high doses. They compared the experiences of 125 women who said they were exposed to such chemicals to 125 women who said they were exposed to other chemicals or drugs that had not been known to cause birth defects.

Dr. Khattak said that the findings offered strong evidence that these chemicals cause birth defects. Because his group knew the women's professions, how long they had worked with chemicals, and what precautions they took to protect themselves, he said, they had "a unique advantage" in assessing exposures.

But other scientists were unconvinced.

"They've added in the suspicion that there might be an association," said Dr. David Erickson, the chief of the birth defects and genetic disease branch at the Centers for Disease Control and Prevention in Atlanta. But, he said, "I don't think that nails it down in any firm way."

"We're here," she said, "to teach students the need for organized language and structured thought." Like, hook me up with some of that.

Short Takes

Fewer than half of Americans support using nuclear power to produce electricity, according to a new poll.

Twenty years after the nuclear accident at the Three Mile Island plant in Pennsylvania, 45 percent of adults said they supported the use of nuclear energy, down 10 percentage points from 1989. The Associated Press poll found. One in three people opposed nuclear power, while one in four had no opinion. But the NIMBY rule — Not in My Back Yard — was evident: Even a majority of those who supported nuclear power said they would not want to live within 10 miles (16 kilometers) of a plant.

Americans' litigious ways are stinking up the place. Consider the Bonaventure Town Center health club in Weston, Florida. Most club members, quite naturally, like to take a hot shower after working out on the racquetball courts or swimming. Fine, but they are not allowed to use soap — or shampoo, conditioner or shaving cream.

Club members had slipped and fallen in the shower. So, what else, they took the club to court.

"We've been sued. We've settled. We've lost a lot of money," said Bob Fedderwitz, executive director of the center. "We're just a litigious society," he said. "Anybody who hurts themselves, when they see an establishment like ourselves that's required to carry X dollars in insurance, that's very attractive to attorneys."

Meanwhile, the Seattle Police Department ordered employees to undergo training on how to sit safely in a chair. The department no doubt was also concerned about lawsuits after two workers fell off their rolling desk chairs.

"Take hold of the arms and get control of the chair before sitting down," a recent memo instructed employees, ahead of a half-hour training session Tuesday.

Brian Knowlton

AMERICAN TOPICS

As You Like It: Curing Campus Mallspeak

Walking recently behind two students locked deep in conversation, Patricia Skarda, an English professor at Smith College in Northampton, Massachusetts, began studying their syntax. "One used 'like' 48 times," she said later. "The other, 37."

It was precisely that sort of impoverished youthful incoherence — the subdialect known as Mallspeak or Teenonics — that prompted Smith College to follow the example of nearby Mount Holyoke College in remaking its curriculum to give speaking as high a profile as writing, the Los Angeles Times reports.

The trend is spreading, like ivy up the side of a tower. Traditional classes in rhetoric and oral communication, seemingly out of sync with today's electronic generation, are making a comeback across the country.

Mallspeak, a mix of urban street lingo and the speech patterns of California "valley girls," managed to make the word "like" — a verb, adjective, adverb and conjunction, all at once. Ruth Simmons, president of Smith College, calls it "minimalist," "repetitive" and "imprecise."

Not only did such inarticulacy make students' oral reports less impressive — starting a presentation with "Like, uh, whatever" for example — but it was making it harder for graduates to find jobs. A study at East Tennessee State University found that the top reason graduates could not find work was a refusal to leave the area; the second reason was the inability to communicate effectively, according to The Chronicle of Higher Education.

Getting rid of the "likes" and "whatever" is only the beginning.

Robin Gurin, director of the speaking program at Mary Washington College in Fredericksburg, Virginia, wants speaking to have a higher profile across the curriculum.

Away From Politics

• The actors Ossie Davis and Ruby Dee were among 71 people arrested after they refused to move from the entrance to New York City police headquarters in the latest protest against the killing by policemen of an unarmed immigrant from Guinea. (AP)

• A computer glitch that caused \$23 million in food stamps to be given out prematurely in New Jersey was not connected to the millennium bug problems as first suspected. Computer experts say the problem was due to human error and hardware on a computer that controls the automated food stamp accounts. (WP)

• The Supreme Court enhanced the power of judges to screen out what they consider dubious expert testimony in medical malpractice, defective product and other personal injury disputes. (WP)

• The Department of the Interior is beginning a nine-month review to determine whether the black-tailed prairie dog should be protected by the Endangered Species Act. The study is the first step toward protecting the historically durable rodent, whose range extends across much of the West. (AP)

Happy Easter



USS 75

USS 75

Easter egg pendants in 18k gold and semi-precious stones

USS 75

Target Serbia/After the Missiles

If Milosevic Defies the Bombing, What Next? More Bombing, U.S. Says

By Michael Dobbs
Washington Post Service

WASHINGTON — During a private White House session with President Bill Clinton this month, the visiting Italian prime minister expressed concern that a NATO bombing campaign against Yugoslavia might lead to a wider Balkan conflagration. What, Massimo D'Alema, asked Mr. Clinton, would the United States do if President Slobodan Milosevic of Yugoslavia refused to back down and instead stepped up his military offensive against the Kosovo ethnic Albanians?

According to Italian sources, Mr. Clinton seemed unprepared for the "What next?" question. Instead of replying, he turned to his national security adviser, Samuel (Sandy) Berger. After a brief hesitation, the sources said, Mr. Berger responded: "We will continue the bombing."

As NATO mounts its first attack on a sovereign country in its 50-year history as a defensive alliance, the reservations of such members as Italy and Germany appear to have faded.

But the concerns raised by the Italian prime minister remain pivotal to the success of the U.S. strategy in the Balkans and have gone largely unaddressed, at least in public, by American

policymakers. U.S. officials from the president down have said that the primary reason for Western military intervention against Yugoslavia is that the Kosovo fighting could spark a more general Balkan war.

In remarks Monday outside the White House, Mr. Clinton expressed fears that continued "Serbian aggression" could create a large-scale refugee crisis and destabilize Albania, Macedonia, Montenegro and Bosnia.

NEWS ANALYSIS Montenegro and Bosnia, two North Atlantic Treaty Organization members, Greece and Turkey, could be dragged into a wider conflict, he said.

The counterargument, expressed by some Balkans experts and diplomats from neighboring countries, is that a NATO attack on Yugoslavia might fuel Albanian nationalist sentiment throughout the region and contribute to the very instability it was meant to prevent.

U.S. officials insist they have no intention of permitting NATO to act as "the air force of the Kosovo Liberation Army," but a prolonged bombing campaign would probably tilt the military balance in favor of the guerrilla army, which has set its sights on total independence for Kosovo.

The present U.S. strategy hinges on a cal-

culination that Mr. Milosevic will back down after one or two rounds of air strikes rather than risk losing Kosovo altogether and incurring enormous damage to his military infrastructure.

But many Balkan specialists wonder what will happen if he does not yield. The Clinton administration has refused to consider sending NATO ground troops to Kosovo in the absence of a peace settlement.

"Milosevic is calling NATO's bluff and has been doing it effectively for six weeks now," said Ivo Daalder, who was a White House adviser on the Balkans during Mr. Clinton's first term and now is with the Brookings Institution in Washington. He says that his former administration colleagues have "no post-bombing strategy" and "no answer for what happens if Milosevic doesn't sign" a Western-backed autonomy plan for Kosovo.

Mr. Daalder would like to see the administration support "a de facto independent state of Kosovo" if Mr. Milosevic refuses to back down. But he is worried that allied unity will begin to fray after a few days of air strikes.

"There is a danger," he said, "that after four days of bombing, the administration will declare a victory and hope that nothing happens to spoil the birthday party" — a reference to NATO's

50th anniversary next month. The political efficacy of bombing is also under question.

"Air strikes alone will not be sufficient to stabilize the region," said Janusz Bugajski, director of East European studies at the Center for Strategic and International Studies in Washington. He envisions a "prolonged bombing war," leading up to a "point of no return" in which the Belgrade government's losses are so severe that it is no longer able to control Kosovo. In this case, he said, the administration would be faced with a stark choice: send in ground troops or "recognize Kosovo sovereignty and independence."

The U.S. calculation that Mr. Milosevic will eventually back down reflects the widespread view of him as a pragmatic if ruthless politician concerned primarily with his own survival. In the past, he has shown that he is willing to sacrifice large amounts of territory — as he did in both Bosnia and Croatia in wars earlier in the decade — to preserve his power base.

But such comparisons may be misleading, because Kosovo is a province of Serbia — Yugoslavia's dominant republic — and has been central to the Serbian national identity since the 14th century. Nationalist feeling of another sort, on the part

of ethnic Albanians, poses another major risk for U.S. strategy.

Tensions in Macedonia, where many ethnic Albanians live, and in northern Albania have increased sharply in the last week following the start of an offensive in Kosovo by the Serbian-dominated Yugoslav Army in anticipation of the NATO bombing campaign. Ethnic Albanian refugees from Kosovo have been pouring into Macedonia and Albania.

The Albanian government has responded by mobilizing what Prime Minister Pandeli Majko described as "the biggest number of troops on our northern border since World War II." Macedonia, meanwhile, has sealed its border with Yugoslavia in an attempt to block more refugees.

Macedonia, a former Yugoslav republic with 2 million people, is at the center of most Balkans tinker scenarios. It was the setting for two brutal Balkan wars at the beginning of the century that served as an overture to World War I.

"Everybody has some kind of a claim against Macedonia," said Barnett Rubin, a Balkans specialist with the Council on Foreign Relations in New York.

In the past, Yugoslavia, Bulgaria, Albania and Greece all have expressed designs of one kind or another on Macedonian territory.

STRATEGY: Punishing Initial Bombings

Continued from Page 1

NATO military commanders, who advocated a powerful barrage of strikes at the start rather than "slow, arm-twisting tactics," in which bombing would be punctuated by pauses to give the Yugoslavs time to reconsider their rejection of the interim peace settlement that would restore autonomy to Kosovo.

The missiles struck a wide range of targets from Novi Sad in the north to Pristina, the capital of Kosovo, in the south. An important initial target, sources said, were radar installations at Podgorica, the capital of Montenegro, which had to be knocked out to clear a flight path for allied planes to take aim at targets in Kosovo.

General Wesley Clark, the supreme allied commander who is in charge of orchestrating the air strikes, has already received authority from the NATO secretary-general, Javier Solana Madariaga, to move seamlessly into a second phase of bombing that would target Serbian armor and troop installations up to the 44th parallel, NATO sources said.

Mr. Solana has declared that the main objectives of NATO's military operations "will be directed toward disrupting the violent attacks being committed by the Serb army and special police forces and weakening their ability to cause further humanitarian catastrophe."

NATO defense planners say a key purpose in subsequent attacks would be to deliver a knock-out blow to the 21st Armored Brigade, based in the town of Nis, north of Kosovo, whose crack troops appear poised to intervene at any moment.

NATO officials have feared that President Slobodan Milosevic of Yugoslavia would respond to the first wave of air strikes by ordering the 40,000 troops now based in and around Kosovo to destabilize the neighboring states of Albania and Macedonia.

Only if Mr. Milosevic extends the war would the North Atlantic Treaty Organization move to a third phase in the bombing strategy, which calls for at

"We must stand band against this vile dictator," Prime Minister Tony Blair of Britain said during a break at a summit meeting in Berlin of the 15 European Union leaders. Mr. Blair confirmed the participation of four British aircraft and cruise missiles from the submarine in the strike.

But Mr. Blair insisted that no NATO country was prepared to introduce ground troops except as part of peacekeeping forces to implement an accord accepted by both warring parties.

Yugoslavia's formidable air defense system includes hundreds of Russian-made surface-to-air missiles and 2,000 anti-aircraft artillery batteries and is considered much superior to the Iraqi air defense system that has been pummeled in recent months by U.S. and British warplanes.

The early stages of NATO air strikes will also seek to cripple the Serbian Air Force, whose main assets comprise 60 MiG-21 fighters and 15 advanced MiG-29 planes, some of which are equipped with air-to-air missiles.

The early stages of NATO air strikes will also seek to cripple the Serbian Air Force, whose main assets comprise 60 MiG-21 fighters and 15 advanced MiG-29 planes, some of which are equipped with air-to-air missiles.

Mr. Blair, the State Department spokesman, was asked at a Washington news conference just before the assault how Mr. Milosevic could obtain an end to the NATO offensive. He replied, "I am not going to sit here and tell you what allied leaders are going to decide about turning on and off air strikes."

In announcing NATO's decision to attack, Mr. Solana said the offensive had three goals.

In Kosovo, NATO wants to halt a growing humanitarian tragedy by destroying Serbian forces' ability to continue their offensive in the province.

In Serbia, Mr. Milosevic must accept the international peace plan, including a NATO-led peacekeeping force.

In the Balkans, the West wants to end the threat of regional instability caused by the stream of ethnic Albanian refugees and fueled by fears of the emergence of a "greater Albania."

Mr. Solana, who publishes the *Dnevni Telegraf* newspaper and the weekly newsmagazine *Evropijanin*, which is now printed in Montenegro, said nonetheless that it was impossible for dissidents to be unpatriotic when the country is being attacked.

Sympathetic journalists gathered in the afternoon to protest the closure, including editors and publishers such as Slavko Curuvija, who is likely to lose an appeal this week and be jailed for five months for failing to pay huge fines under a media law passed last October.

Mr. Curuvija, who publishes the *Dnevni Telegraf* newspaper and the weekly newsmagazine *Evropijanin*, which is now printed in Montenegro, said nonetheless that it was impossible for dissidents to be unpatriotic when the country is being attacked.

"We're hostages to this policy, and we're considered traitors," he said. "This bombing will also have very bad results for the democratic forces in this country. Milosevic will use this for a new crackdown on the media and opposition politicians."

Mr. Milosevic has used the same law to try to shut down the main Albanian-language newspaper in Kosovo itself.

Some of those who gathered in support of Mr. Curuvija noted that the Western embassies that had tried to provide support to Yugoslavia's independent media were shut Wednesday, with the last U.S., British, German and Austrian diplomats scheduled to leave the country before air strikes began.

On Wednesday afternoon, police shut down a satellite transmitter in Belgrade of the European Broadcasting Union that is used by Western television net-

works. They were then forced to transmit from government facilities.

Vuk Obradovic, a former general in the Yugoslav army who now leads an opposition party called Social Democracy, also criticized NATO's decision to use military force.

"There is no doubt that Milosevic is most guilty in bringing the country to war," Mr. Obradovic said. "But NATO will also be losers, and the ones who will lose the most are ordinary civilians."

Mr. Obradovic, 51, who quit the military in 1992 out of disgust with Mr. Milosevic's Balkan ambitions, said that the Yugoslav Army "will defend Kosovo, and they do not joke when they say they will defend it in every possible way."

Some in the army would prefer a different policy, he said. "Mr. Milosevic not only brings us into a war with the whole world, but he pushes us into a war with one another. That's the whole organizing principle of his politics, if he has one."

He added that the West had miscalculated how difficult it was for any Serb to accept foreign troops and a loss of control over Kosovo.

"It may sound like only a phrase, but it is really true that Kosovo is something special to the Serbs," he said. "And it is also true that the person who signs a document giving up Kosovo will have the stamp of a traitor on himself and his children forever."

Mr. Milosevic would rather lose Kosovo, said an official considered close to him, than to be accused of surrendering it.

"If it is lost, we keep the right to reconquer it, even 100 years from now," he said. "If we give it away, it is lost forever."

In a shop in Batumi, Darko spoke about the difficulty of life here, about Yugoslavia's decline under Mr. Milosevic and the need to hold two jobs to make a living. But he was also angry with Washington.

"Americans don't even know what language we speak in the country they're about to bomb," he said. "Can half of Americans find Kosovo on a map?"

He has two sons, aged 4 and 6, and thinks only of them and their future.

"If I thought that my sons' lives will be better in 20 years, I would go lie on the tarmac of the Batumi air base and wait for the bombs, throwing a party for my friends," he said.

"But I don't think this attack will make their lives or this country any better," he said. "Quite the contrary."

NATO: Attack Is Launched

Continued from Page 1

aircraft, including the U.S. Stealth bomber, was expected to concentrate on Serbian air defenses in order to protect U.S. and European pilots as the campaign continued.

As the deadline neared for NATO action, Mr. Milosevic went on national television to call on Serbs for all-out resistance and denounce the international plan for Kosovo as an attempt to let foreign troops occupy Serbia.

"The country is at stake, not just Kosovo," he said.

His suggestion that Belgrade was ready in pursue negotiations was brushed aside by U.S. officials, who said that Serbian obstinacy had forced the alliance to take military action to prevent a humanitarian tragedy in Kosovo and preserve the credibility of Western threats to use NATO power to protect stability in Europe.

"Negotiations are not an option at this point," a U.S. official said, explaining that Mr. Milosevic seemed interested only in gaining time to press the Serbian offensive in Kosovo and chase thousands more ethnic Albanian civilians from their homes.

Public opinion appeared surprised and divided about the NATO operation in both the United States and Europe, partly because Western leaders had only begun speaking out clearly about imminent air strikes in recent days.

Crucial in launching the attacks Wednesday was a conviction among allied officials that military action was unavoidable to preserve NATO's credibility as the instrument of European security that keeps U.S. power engaged in Europe.

The alliance passed watershed in agreeing to intervene in a sovereign nation's internal affairs without a formal mandate from the United Nations Security Council. That would have been denied by Russia, which has a veto.

Paris and some other European capitals remain reluctant to see the North Atlantic Treaty Organization usurp the authority of the United Nations, but all the allies backed the NATO action after the U.S. envoy Richard Holbrooke reported Monday in Brussels that his talks in Belgrade showed Mr. Milosevic apparently intent on a military showdown.

Along with more than 200 U.S. planes, including Stealth aircraft, B-52 bombers, electronic warfare planes and fighters, the NATO air strikes will involve combat aircraft from Britain, France and other European allies, including Germany for the first time. A NATO official said: "We're going to do the job without pulling our punches while waiting to hear something from Belgrade."

NATO's battle plan reportedly called for sustained attacks by cruise missiles and bombers to overwhelm Serbian air defenses, opening the way for tactical air power to hit Serbian armored forces before they can overrun the Kosovar guerrillas' strongholds and carry out ethnic cleansing.

Privately, Western officials made it clear that their hopes went beyond Kosovo itself and included weakening Mr. Milosevic's grip on power. In that sense, the NATO operation appeared to



Yugoslav troops resting next to a tank Wednesday in Kosovo as smoke rises from a village in the background.

mark another turning point after several years in which Mr. Milosevic has been helped to maintain his dictatorship in Belgrade through deals with the NATO forces in Bosnia.

Now the Clinton administration seems to have moved into direct opposition toward Mr. Milosevic — in Bosnia, Kosovo and even in Serbia. With his influence apparently waning except in Serbia itself, NATO officials said that they were ready to defeat any attempt by him to respond with attacks on NATO forces in Bosnia.

They added that they were also hoping to see Mr. Milosevic's power base weakened in the tiny autonomous republic of Montenegro. The State Department spokesman, James Rubin, warned that it would be "a serious mistake" for Mr. Milosevic to try and overthrow the government in Montenegro, which contains important military facilities controlled by Belgrade.

NATO's sophisticated precision-guided weaponry is expected to be able to smash Serbian armaments, hopefully without major risk to U.S. and other allied pilots and without heavy casualties among civilians near military targets. Serbia's military arsenal is one of the largest in Central Europe on paper, but it consists of Soviet-made missiles and aircraft that should be no match for NATO's armada, especially the U.S. fighter-bombers.

Even with careful targeting and heavy bombing, the commander said that the campaign would be "unpredictable," because bad weather and cloud cover might hinder the guidance systems of missiles and delay accurate assessments of damage to Serbian targets.

Because of possible weather problems, NATO officials estimated a few days ago that allied air power would need a week to cripple Serbian forces' ability to operate on the ground in Kosovo.

Rocky terrain could offer hiding

places for Serbian tanks, but Western military planners said that allied planes could patrol indefinitely to destroy armor that ventures out of cover.

A pause in air strikes for talks, an idea that figured in earlier contingency plans, was eliminated from General Clark's orders to provide a wider set of targets and allow for swift, heavy escalation in the bombing if needed to eliminate air defenses, particularly radar-guided ground-to-air missiles, officials said.

Serbian forces reportedly were hiding tanks and other equipment and slowing the offensive aimed at tightening their grip on the capital of Kosovo, Pristina.

NATO has called on the Kosovo Liberation Army not to exploit the allied air attacks for offensives of its own. Officials said they hoped rebel leaders would see an advantage in keeping open the proposed political settlement.

Apparently hoping to defuse objections that Mr. Milosevic might survive extensive bombing without agreeing to a Kosovo settlement, Mr. Rubin insisted Wednesday that NATO's military objectives were to prevent an all-out Serbian offensive in Kosovo and damage Mr. Milosevic's military capabilities.

But NATO leaders added the political objective, getting Belgrade to accept Western terms in Kosovo, to their list of military goals. In Washington, the Clinton administration faced critics arguing that Mr. Milosevic might copy the political tactics of Saddam Hussein by Iraq by using his country's punishment to clamp down on internal opposition.

Belgrade has no missiles or aircraft capable of delivering warheads or bombs on targets even as close as Italy or Hungary. But terrorism was being treated seriously as a threat, with security stepped up Wednesday around NATO officials and other Western policymakers. For example, protection was visibly increased around the offices

of President Jacques Chirac in France.

The United States, as long ago as 1992 under the Bush administration, had warned Mr. Milosevic that he would face U.S. intervention if he caused a crisis in Kosovo, where the ethnic Albanian majority's plight could trigger unrest throughout the Balkans. The Clinton administration sought to mobilize multilateral Western pressure on the issue, and since last summer Washington and the European Union have pressed for Mr. Milosevic to make concessions on Kosovo.

Britain, France and Germany insisted that the attacks proceed quickly at a critical juncture last week when the Clinton administration considered postponing the NATO strikes until after the U.S. trip of Prime Minister Yevgeni Primakov of Russia.

Western governments blame Mr. Milosevic for refusing to accept a peace plan for Kosovo that was signed by 90 percent of the province's population.

Target Serbia / Regional Worries

NATO Gives Assurances To 5 Nations

Any Attack by Serbians Would Be 'Unacceptable'

By Craig R. Whitney
New York Times Service

BRUSSELS — NATO gave unusual written assurances on Wednesday to five countries neighboring Serbia that the alliance would consider any military strikes against them by Belgrade's forces to be "unacceptable."

Allied officials said that they had given the assurances after Albania, Bulgaria, Macedonia, Slovenia and Romania had expressed concern about threats to their own safety once NATO warplanes began bombing Serbia for its refusal to accept a peace settlement in Kosovo.

Even Hungary, which also borders Serbia, had continued to raise concerns, although it formally became a member of the alliance only last week, a diplomat said.

Hungary's membership means that the allies are bound by treaty to consider an armed Serbian attack against it as an attack against them all, and then react accordingly.

A NATO official said that Secretary-General Javier Solana had written to the five other countries that the allies would also view any Serbian attack against them "with the utmost seriousness."

In addition, Mr. Solana wrote to the leader of Macedonia, where 12,000 allied soldiers are gathered as the advance guard of a possible international peace-keeping force for Kosovo, that the alliance would meet any Serbian attack on those forces with "an appropriate response."

Officials said that Mr. Solana's letters had gone out before Yugoslavia warned Romania, Albania, Hungary, Bulgaria and Macedonia not to support NATO bombing raids of the ethnic Albanian rebels in Kosovo.

A spokeswoman for Romania's Foreign Ministry said that Romanian and other diplomats from states neighboring Serbia had been summoned to the Yugoslav Foreign Ministry in Belgrade.

Simona Miculescu, the Romanian spokeswoman, said that Belgrade had told the diplomats it "expected neighbors to refrain from taking any direct or indirect part in any action against Yugoslavia," Reuters reported.

The authorities in Belgrade had previously warned both Albania and Macedonia not to support hostile operations...



Yugoslav troops patrolling the suburbs of the Kosovo capital, Pristina, on Wednesday in an army truck.

Stern Test for NATO's 3 New Members

Prague and Warsaw Express Support, but Budapest Has Reservations

By Peter S. Green
International Herald Tribune

PRAGUE — The decision by NATO to bomb Serbian forces has provided NATO's newest members an abrupt test of their commitment to the alliance.

Already, leaders of the Czech opposition and the government of Hungary, which borders Serbia and has a large ethnic minority there, have expressed reservations about the air attacks. The Polish government and President Vaclav Havel of the Czech Republic have expressed their full support for the action by the North Atlantic Treaty Organization.

"This is the first great test, not only of our government but also of our political elites and of public opinion which has never been enthusiastic for conflict," said Jiri Sedivý, deputy director of the Institute for International Relations in Prague. "It's clear now what NATO is," said Jan Skorzyński, foreign editor of the Polish newspaper *Rzeczpospolita*. "The simple view in Poland was that NATO

was here to protect us, and now the moment comes when we have to do something for others."

Nearly 10 years after they threw off over four decades of Communist rule and left the Warsaw Pact, Poland, the Czech Republic and Hungary became members of NATO on March 12, and the new members' armies have been eager to show they are now firmly on the Western side.

Poland has established a joint army corps with two other NATO members, Germany and Denmark, and pledged a parachute brigade to any NATO peace-keeping force in Kosovo.

The Czechs, who have peacekeepers in Bosnia, have pledged a field hospital to any new NATO force, despite some resistance from the conservative opposition led by former Prime Minister Vaclav Klaus, now chairman of the Czech Parliament.

Speaking hours after Secretary-General Javier Solana ordered air strikes on Serbian targets Mr. Klaus said he still favored a diplomatic solution, saying it

was necessary to "remember the pain and suffering which is mostly borne by innocent people."

Senior members of Mr. Klaus's party also questioned the government's offer of a field hospital to support NATO peacekeepers.

But Mr. Havel said that while deciding to bomb was not easy, "there was no alternative."

"The sovereignty and freedom of the Serbs must not be asserted at the cost of suppressing human rights and at the cost of the free development of other nations in Yugoslavia," he said Wednesday.

In Hungary, the only NATO member state to share a border with Serbia, the government took a low-key approach.

Prime Minister Viktor Orbán stopped short of endorsing the raids, telling state radio only that "there is no sign that Hungary is in any danger" and pledging not to deploy Hungarian troops in Yugoslavia.

However, Hungary agreed to open its air space to NATO for the raids and to provide a field hospital in Macedonia and Kurds.

Foreign Minister Lamberto Dini said that as many as 40,000 could seek refuge on those southern shores.

But in a front-page editorial entitled, "A painful choice," the Milan daily *Corriere della Sera* said of the strikes:

"Being conscious of the risks is necessary, but that can't become impotence."

"Painful and risky that it is, the stake in Atlantic unity is worth much more than disagreement in Parliament," the paper added.

Anxiety was even greater in Greece. The Athens daily *Kathimerini* called the strikes "a monumental error," reflecting deep Greek unease about heightened conflict against the territory of a near-neighbor and ally.

Spanish public opinion was generally behind the NATO strikes, said Jose Luis Barberia of *El País*, the Madrid Daily, "even if there isn't great enthusiasm for them."

INTERNATIONAL

Japan Takes Hard Line on Mysterious Sea Intrusions

By Nicholas D. Kristof
New York Times Service

in Serbia that many Serbs regard as their Jerusalem but where 9 of 10 people are ethnic Albanians.

"The West has no idea what Kosovo means to the Serbian people," Mr. Zabacanski said.

And now with the Western alliance bombing Serbia, it is happening again, even among Serbs who say they know that Mr. Milosevic has behaved in a way deserving of being bombed.

"At least, Milosevic can say after the bombing that he tried, that he put a fight," said Ivan Vujacic, a former member of the Federal Parliament and an outspoken opposition figure. "The opposition cannot win in wars or chaos. We have nothing to do. Nowhere in world has an opposition party, even in a democratic country, won anything during time of war. There is no way."

Mr. Milosevic's political survival has depended on a seemingly endless succession of losing fights. While losing those fights, he has won elections. His political stability, although severely tested by failure in Croatia and Bosnia, did not substantially begin to weaken until after those conflicts ended and international sanctions were eased.

Analysts here say it was, in late 1996, that Serbs had their first chance to question why state pensions were being paid late, why the economy was in a free fall, why gangsters were taking over Belgrade businesses.

"If there is a real crisis, it pushes Serbia into an existential debate," said Ivan Vujacic, executive director of the Fund for an Open Society, a group backed by the financier George Soros. "People will then ignore the crumbling city and the lack of money. Milosevic knows that. He is scared of normal economics. That is why he is a crisis-monger."

The trouble triggered by a sustained bombing of the Yugoslav military machine, however, is likely to be substantially more destabilizing for Mr. Milosevic than was in distant republics, according to some opposition figures.

"In the very short-term, the bombing will make him stronger, but after a couple of weeks, I believe that there will be some kind of anarchy and military forces in Serbia could split," said Zoram Osojic, a political analyst and former director of an opposition television station in Belgrade that has been taken over by the Milosevic regime.

During daylight hours Wednesday this city seemed numb. Serbs who said the only honorable choice was to support Mr. Milosevic sounded miserable in their patriotism.

"You know what I have to do now?" said Mr. Zabacanski, the actor.

He was scouring Belgrade on a shopping mission in anticipation of his conviction. "I have to go somewhere and buy some condensed milk for my two sons."

At least, Milosevic can say after the bombing that he tried, that he put up a fight. The opposition cannot win in wars or chaos. We have nothing to do. Nowhere in world has an opposition party, even in a democratic country, won anything during time of war. There is no way."

Serbs who have struggled for years in an effort to try to end Mr. Milosevic's control of what remains of Yugoslavia.

Once again, it seems, Mr. Milosevic is gaining short-term political capital from a policy that, while it may seem self-improving, sense of national pride among Serbs, a pride that animates both rural farmers and Belgrade sophisticates.

This nationalist wagon-circling, a phenomenon which has been provoked and amplified by shrewd manipulation of state radio and television, occurred to a limited degree in the first half of this decade during wars in the former Yugoslav republics of Croatia and Bosnia.

It has been the dominant theme throughout most of the past year, as violence erupted in Kosovo, a province

Apartheid Foe Gets 6 Years in Charity Fraud

The Associated Press

CAPE TOWN — A judge sentenced the former anti-apartheid hero Allan Boesak on Wednesday to six years in prison for defrauding donors to a charity he headed.

Mr. Boesak, 53, was convicted last week in the High Court in Cape Town on four counts of fraud and theft from foreign donors, including the singer Paul Simon and a Swedish government aid agency.

He used some of the \$400,000 that was donated to buy two houses.

The judge, referring to a letter sent by the Nobel Peace Prize winner Archbishop Desmond Tutu in defense of the one-time African National Congress official, acknowledged that Mr. Boesak had played an important part in ridding South Africa of apartheid.

But a lenient sentence would mean that "the administration of justice could fall into disrepute," Judge John Foxcroft said.

After the hearing, Mr. Boesak remained defiant.

"My innocence is not touched in one way or the other by a conviction of this court," he said. "The last word is not spoken."

Referring to a widely condemned

court decision Tuesday, in which a white farmer received a suspended sentence in the fatal shooting of a black infant near Johannesburg, Mr. Boesak said: "I have not fought for the murderer of a black child to walk free and for something like this to happen to me."

Scores of supporters chanted "Boesak, Boesak, long live Boesak," when he arrived for the sentencing. After

Europeans Back Raids, But With Apprehension

Governments Say Yes but Public Is Fearful

By Charles Trueheart
and Sarah Delaney
Washington Post Service

Tanea, another newspaper, said the strikes were "a threat to the whole region."

The Greek government, though a NATO member, still insists on a political solution in Kosovo and refuses to participate in any ground operation that does not have Mr. Milosevic's agreement.

"Public opinion is terrified about the possibility of a war against Yugoslavia because the war is next door," said Vassilis Karavassilis, a Greek diplomat in Paris. "The risk of bombing is that there will be more refugees pouring into Greece."

France in the past has stood as the pole of resistance to a military solution for Kosovo, but the French government joined its European partners in the Contact Group that sought a negotiated settlement — Britain, Germany and Italy — in echoing U.S. ultimatum and resolve.

But French and British press commentary on the likelihood of a wider war in the Balkans has ranged from queasy to scathing.

The most positive comment came in the daily *Le Monde*, which said in an editorial that "success is not guaranteed."

It added: "But the risks are worthy of the stakes: preventing the return of barbarity in Europe."

The left-leaning *Liberation* was more cynical, declaring in an analysis that the real issue in Kosovo was "evidently the survival of NATO and of the pre-emptive role the United States plays in it."

"The Kosovo crisis allows the United States," it added, "to fill a new role: the gendarme of peace and security in Europe (and even beyond, if the Americans had their way)."

A scholar, Jonathan Eyal, writing in Britain's *Guardian* newspaper, said the military strikes' chances of success "are virtually nil: There may be some historic examples of countries being bombed into submission, but there are none of states which were bombed into cooperation."

In Germany, the *Berliner Zeitung* commented Wednesday: "The elegant concept of precise strikes with high-tech weapons against Serbian aggressors cannot conceal the fact that the West so far has not defined any goal of the war."

Spanish public opinion was generally behind the NATO strikes, said Jose Luis Barberia of *El País*, the Madrid Daily, "even if there isn't great enthusiasm for them."



Allan Boesak denouncing his sentence outside court in Cape Town on Wednesday as supporters stood by.

ward, they held up signs reading, "Boesak you are our hero."

After the sentencing, Judge Foxcroft denied an application for an appeal. The defense lawyer, Mike Maritz, said he would fight the decision before the appellate court.

He has 21 days in which to make the motion, during which Mr. Boesak can remain free.

Arguing for a suspended sentence,

Mr. Maritz had said Mr. Boesak had been punished enough by spending all his money on legal fees and watching his religious and political careers collapse.

But the state prosecutor, J.C. Gerber, asked the court to hand Mr. Boesak a sentence at least as tough as that given to his former bookkeeper, Freddie Steenkamp, who had earlier received a six-year sentence for embezzlement.

ASIA/PACIFIC

U.S. Nuclear Lab Promoted Suspected China SpyBy James Risen
New York Times Service

WASHINGTON — In the spring of 1997, the Los Alamos National Laboratory in New Mexico chose a scientist who was under investigation as a suspected spy for China to run a sensitive new nuclear-weapons program, according to several government officials.

The scientist, Wen Ho Lee, eager for the new post, asked that he be allowed to hire a research assistant, the officials said. Once he was in the new position, in charge of updating computer software for nuclear weapons, he hired a postdoctoral researcher who was a citizen of China, intelligence and law-enforcement officials said.

Although the FBI said that a wiretap on Mr. Lee, a computer expert who was born in Taiwan and who is an American citizen, would allow it to keep close watch over him in the new position, the bureau never won approval for the electronic monitoring, the officials said.

Now, two years later, Mr. Lee has

been fired amid charges of security breaches at Los Alamos, and senior government officials say he remains a suspect in the FBI's investigation of allegations that China stole nuclear secrets from U.S. weapons laboratories.

And the research assistant has disappeared. Even as the bureau tries to find him to question him in the spy case, government officials say they are wondering whether he had played a role in a Chinese intelligence operation at the heart of the U.S. nuclear-weapons program.

Mr. Lee is under suspicion of having stolen the data for one of America's most advanced nuclear warheads. China has denied that it engaged in espionage.

In the midst of the furor over the Clinton administration's handling of evidence of Chinese atomic espionage, the decisions to appoint Mr. Lee to the new post in 1997 and to allow him to hire a Chinese assistant have underscored doubts about the procedures followed by laboratory officials and the FBI in the Los Alamos case.

The FBI, which opened a criminal

investigation into the spy case in June 1996, gave its approval when Los Alamos officials decided to offer Mr. Lee the new position, intelligence and law-enforcement officials say.

Officials in President Bill Clinton's administration said Mr. Lee's new posting had been approved in part because they believed his access to information would be "controlled" in the new job, "he only had access to material he already had in his head," an official said. "He couldn't see the latest stuff."

The bureau also assured lab officials and the Department of Energy, which owns the weapons labs, that it would keep close watch on Mr. Lee in his new job and would seek approval for a wiretap to monitor his phone conversations.

But officials now say that the bureau's requests for a wiretap were repeatedly turned down by Justice Department officials, who did not believe they had enough evidence to take to a federal court to obtain authorization for the wiretap.

The hiring of the research assistant was not cleared with the bureau,

however, officials said. "We didn't know about the hiring of the research assistant until after the fact," a senior law-enforcement official said.

Once the FBI found out, bureau agents investigated the postdoctoral assistant, officials said. The FBI did not conclude that the student, whom officials declined to identify, had any intelligence connection.

Los Alamos officials assured the bureau that the assistant, who had studied at the University of Pittsburgh, would be restricted to unclassified work, law-enforcement officials said.

The assistant worked with Mr. Lee from approximately May through September 1997, when he returned to complete his studies at the University of Pittsburgh, officials said.

They added that they were not sure whether the assistant, who had been in the United States on a student visa, was still in the country. The FBI is still not sure whether the assistant has any significant role in its investigation, officials said.

BRIEFLY

Ex-Philippine Leader Vows to Clear Name

MANILA — Fidel Ramos, former president of the Philippines, vowed Wednesday to clear his name in court after a Senate panel urged his criminal prosecution for alleged misuse of 7.3 billion pesos (\$188.5 million) in state funds.

Mr. Ramos, credited with turning the economy around during his six-year term, which ended in June 1998, branded the allegations against him and five members of his former cabinet as politically motivated.

A Senate committee recommended charges of "misapplication of public funds" Tuesday against the six for allegedly financing the 1998 independence day celebration with state funds intended for other purposes.

There was no allegation in the Senate report that Mr. Ramos or his ministers financially benefited themselves from the disbursements. (Reuters)

Refugees in Borneo Guarded by Troops

SINGKAWANG, Indonesia — Troops guarded several thousand refugees Wednesday in a part of Borneo where armed gangs have killed as many as 200 people.

On Tuesday, security forces shot and killed four fighters while trying to disperse indigenous Malay and Dayak men who tried to attack immigrants from the island of Madura.

Military transport planes have flown in hundreds of reinforcements to help evacuate remaining Madurese in Samarinda district, an Indonesian coastal area on western Borneo Island.

The immigrants from Madura are rescued by indigenous people, who view them as troublemakers who have taken away land and jobs. (AP)

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At first, both Red and the police are confounded by Rosa's demise. It turns out she had intended to leave Red for good, yet her body was found without any luggage, and no suitcases or bags were left behind on the train. Further investigation on Red's part reveals that Rosa had lied to Red about her childhood, and that she had worked only three days a week instead of the five she told him she did as a clerk with a newspaper.

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BOOKS

THE HOUDINI GIRL

By Marilyn Bedford. 310 pages. \$24. Pantheon Books.

Reviewed by Christopher Lehmann-Haupt

TRUTH is, I tricked her into falling for me. Rosa Kelly: dark hair, blue eyes — wicked combination," announces Fletcher (Red) Brandon, the narrator, at the outset of Marilyn Bedford's skillful novel.

Red is a magician who makes "a tidy living" working under the name Peter Prestige, "The Prodigious Prestidigitator." One evening while drinking at an Oxford pub called The Eagle and Child, the crowd he is drinking with asks him to do a trick and he chooses Rosa, whom he has never met before, as his subject. He instructs her to hold out her hands palms downward and make fists; then he asks her if she believes in "the stigma," meaning "that we can be marked with the sign of Christ's suffering on the cross."

When she says, "Oh, sure," he dips his finger in an ashtray and rubs ash onto the back of her right fist, announcing as he does so, "I shall cause the ash to pass through the hand and appear like a stigma in the center of your palm." When she unclenches her fist her palm is unmarked. The crowd groans. Rosa smirks.

"Are you left-handed?" he asks suddenly. She nods and slowly uncurls the fingers of her left hand. In its center is "an unmistakable dab of cigarette ash." It is of course significant that the trick involves Christ's wounds on the cross, for only a dozen or so pages later, Red will announce that Rosa has died. They spent the night of the trick at his apartment. The next day she moved in. But

after living together for a year, he was away on tour when two constables visited his dressing room after a performance one night. They told him that there had been "an incident" and that Rosa was dead. She apparently had been killed as the result of jumping off a train.

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For that reason Simon considered the Lightner slam

tediously overcomplicated stretch toward the end, and the intermittent italicized passages in which Rosa tells her story. While effective in their foul-mouthed frankness, these appear out of nowhere and have no logical connection to the novel's main point of view, unless you accept that the authority of all narrative is questionable.

In any case, the meaning of what happened to Rosa is as important to Red as the details, and he continually examines that meaning — Is her death an illusion? How did she perceive him? — by comparing what happened to her to the various classic magic tricks he performs, like the Ziegfeld Girl, which involves displacing the parts of his assistant's body, or the Living Doll, in which he kisses a statue of his assistant to life.

One paradox that interests Red especially is that while magicians and liars seem to resemble each other, "magic is founded in honesty," while "lying is founded in dishonesty." As the novel's epigraph, a remark by the magician Ricky Jay, puts it: "The magician is supremely honest. He tells you he is going to deceive you, then lives up to his word."

"Another essential difference," Red reflects, is that "once the methodology — the trick — that you like — is exposed, magic ceases to be magical, while a lie remains a lie even after the liar is caught out."

Without giving anything away, it can be said that there is a very good reason this distinction preoccupies Red. In his long search for the truth, a lie is finally what explains everything. Perhaps the most impressive accomplishment of "The Houdini Girl" is to have made this lie so powerful in its effect.

New York Times Service

After living together for a year, he was away on tour when two constables visited his dressing

EUROPE

Corruption Inquiry Focuses on Yeltsin's Inner Circle

By Celestine Bohlen
New York Times Service

MOSCOW — The evidence is still flimsy and the political motives are obvious, but Russia's chief prosecutor's office has confirmed that it is investigating corruption inside the Kremlin itself, aiming at members of President Boris Yeltsin's inner circle.

Acting on orders from Yuri Skuratov, the general prosecutor who last week issued a Kremlin order to resign, investigators have seized documents from the offices of the presidential administration's powerful property-management office, headed by Pavel Borodin.

The investigation marks a new phase in Russia's latest round of political warfare, in which the weapon of choice is "kompromat," the Russian word for compromising material that is routinely collected and stored by politicians for use against their enemies.

Given the level of official corruption at all levels of the Russian government, no one doubts that

there is enough kompromat to go around.

One clear example of the use of kompromat was a secretly taped video showing Mr. Skuratov naked in bed with two women, which — on orders that could have come only from the Kremlin itself — was broadcast on a government television station on the night that the upper house of Parliament voted overwhelmingly to let him keep his job.

Until now, Russia's periodic anti-corruption campaigns have steered clear of the Kremlin.

But on Tuesday, even as the prosecutor's office made its investigation public, yet more kompromat against the Yeltsin entourage was tossed into the public arena, suggesting that the president's political enemies, sensing his growing isolation, are zeroing in on a weakened target.

One accusation came from a top-ranking Communist Party official, Viktor Ilyukhin. He charged that Tatiana Dyachenko, the president's daughter and political adviser, was

holding shares through an intermediary in an Australian company that received \$2.3 billion in foreign credits issued to the Russian government last year.

These and other charges have been vehemently denied by Kremlin officials as "pure nonsense."

Mr. Borodin, in a television interview, called the investigation into his office, which he said began 10 days ago, a "political farce."

In the meantime, the Kremlin re-activated its investigation into Mr. Skuratov's behavior and the circumstances surrounding the making of the compromising videotape.

The commission investigating the case had interrupted its work when Mr. Yeltsin abruptly fired its chairman, Nikolai Bordyuzha, who was also Mr. Yeltsin's chief of staff — reportedly because of his mishandling of a case that had turned into an embarrassing defeat for the building's interior.

Against the charges here or in Switzerland, accusations that have surfaced during Mr. Skuratov's investigation suggest that Mabetex paid Kremlin officials to secure the lucrative contracts.

Switzerland's chief prosecutor, Carola del Pome, arrived in Moscow

on Tuesday for two days of meetings with Mr. Skuratov about Swiss-Russian cooperation on a series of criminal investigations, which Mr. Skuratov's office says includes the continuing investigation into the Kremlin's ties to Mabetex.

The timing of her visit gave legitimacy to the Russian prosecutor's investigation, although Miss del Pome has so far had no comment on the subject of her talks.

At a news conference in Moscow on Tuesday, Behjet Pacolli, president of Mabetex, suggested that his company was being used as "a card in dirty political intrigues."

He also said the campaign against Mabetex might have been mounted by various Russian clients that owe the company \$260 million, including \$20 million owed by the Kremlin's property-management office.

The first public mention of Mabetex was made last week in a phone interview of Mr. Skuratov by a Russian television reporter — on the morning after the compromising video was shown on the Russian government channel.

BRIEFLY

Turkey Bars Ocalan Transfer

ANKARA — A state security court ruled Wednesday that the Kurdish rebel leader Abdullah Ocalan must stand trial on his prison island of Imrali in the Sea of Marmara.

It rejected a bid by his lawyers, allowed to represent their client in court for the first time on Wednesday, to have Mr. Ocalan transferred to Ankara. The stormy hearing was interrupted several times when relatives of dead soldiers and police shouted obscenities at Mr. Ocalan's lawyers. Some relatives were draped in red Turkish flags; others carried pictures of their dead loved ones.

Ahmet Zeki Okcuoglu, a defense attorney, argued that Mr. Ocalan should be transferred to a mainland prison because of the difficulty of reaching the island. Mr. Okcuoglu also said defense lawyers were not allowed to confer in private with Mr. Ocalan at the island prison. (AP)

Official Panel Rebukes Heath

LONDON — A committee of lawmakers on Wednesday rebuked former Prime Minister Edward Heath for failing to declare that he had worked as a paid adviser in several companies.

The House of Commons Committee on Privileges and Standards, which monitors lawmakers' behavior, rejected Sir Edward's explanation that his failure to declare the work in a register of lawmakers' interests was the result of a misunderstanding.

The committee said the then parliamentary commissioner for standards, Sir Gordon Downey, had warned Sir Edward in 1996 to record his activities as a senior adviser to China Ocean Shipping Co., as adviser on China to investment funds run by Dresdner Kleinwort Benson and as a member of the governing board of the Center for Global Energy Studies. Lawmakers are required to register their interests to prevent conflicts of interest. (AP)

Slovakia Welcomes Cosmonaut

BRATISLAVA, Slovakia — Slovakia's first man in space received a hearty welcome home after his one-year stay in Russia and six-day mission on the space station Mir, media reported Wednesday.

Ivan Bella, who became the first Slovak cosmonaut to spend time on the Russian-built space station Mir last month, was welcomed by Defense Minister Pavol Kanis shortly after his arrival on Tuesday.

While on the space station, Mr. Bella studied the impact of space flight on the human body and did other biological experiments. His stay on Mir, though brief, cost about \$20 million and was financed as a payment of a Russian debt to Slovakia. (AP)

Farmers Demonstrate in Berlin

BERLIN — Thousands of farmers from throughout Europe drove tractors through the heart of Berlin on Wednesday to protest subsidy cuts sought by European leaders meeting nearby.

Leaders of the 15 European Union nations, meanwhile, pushed ahead with talks on reforming EU finances.

Soundings cow bells, whistles and sirens, farmers from France, Finland, Germany and Sweden, among others, drove tractors under police escort to the city's landmark Victory Column. The protesters claim that plans to freeze subsidies will mean an end to their livelihoods. (AP)

Pinochet's Fans and Foes Both See Good in Ruling

But Show of Enthusiasm in Santiago Is Muted

By Clifford Krauss
New York Times Service

SANTIAGO — Both supporters of retired General Augusto Pinochet and family members of people who disappeared during his rule expressed mostly muted enthusiasm for the British legal ruling that upheld the detention of the former dictator while throwing out all but three of the 30 charges against him.

The complex ambiguities of the decision by a House of Lords panel had the effect of reducing the size and intensity of demonstrations by human rights groups and Pinochet supporters that occurred throughout the day. No arrests were reported even though the Communist Party and other groups held demonstrations without permits, and slowed traffic.

But the absence of violence and the moderate tones of the political debate that blanketed the airwaves also reflected how General Pinochet and his legal problems have receded in importance since his arrest five months ago.

Chilean human rights groups cheered that the House of Lords panel agreed with them that General Pinochet did not have immunity as a former head of state and was still eligible for extradition to Spain.

General Pinochet's supporters said they thought they could eventually win his release on appeal since the two primary remaining charges, that he was involved in the torture of a single prisoner and conspired to torture others after 1988, would not stand up to judicial scrutiny.

President Eduardo Frei made no immediate comment as government lawyers went over the ruling for all its shades and meanings.

But congressional supporters of the

Frei government said that the removal of all charges before Britain signed a 1988 international torture convention went far to sustain the official Chilean argument that General Pinochet should be tried in Chile as a matter of sovereignty.

When Chilean television broadcasted the proceedings of the House of Lords, the initial responses at offices of the Group of the Families of the Detained and Disappeared and the Pinochet Foundation were virtually identical.

"Pinochet remains a prisoner," exclaimed Sola Sierra, president of the country's leading human rights group to a cheering group of people wearing the pictures of their missing relatives pinned to their chests. "They'll keep looking for arguments to free him, but this decision shows that the international community believes no one has the right to assassinate."

At the Pinochet Foundation, a few hundred supporters waved their fists, broke into applause and embraced when they heard that the Law Lords decided that he could not be extradited to Spain on charges of committing crimes before London signed the 1988 torture convention.

The great majority of the charges have fallen to the ground," said Andres Chadwick Pineda, a conservative Senator. "Only a few minor police violations are left."

But Marco Antonio Pinochet, one of the general's sons, was less ebullient. "The ruling helped the defense in some senses, but it's no victory," he said, speaking on Chilean television from London after leaving his father's side. Mr. Pinochet added that his father was calm but was not in a celebratory mood.

PINOCHE: Chilean Denied Immunity

Continued from Page 1

liberation by emphasizing the point that the lesser charges do not constitute a substantial enough case to hold him any longer.

In an undramatic and crisply delivered address to the peers seated along the red leather benches in the ornate Lords' chamber, Lord Browne-Wilkinson explained the reasoning behind the panel's decision as the "principle of double criminality: Nobody can be extradited to a foreign country unless the conduct alleged against him constitutes a crime under both the law of the foreign country and the law of the United Kingdom." That changed, he said, when a new Criminal Justice Act came into force Sept. 29, 1988.

He said that the charges postdating 1988 and therefore still confronting General Pinochet were an isolated charge of torture and certain other charges covering conspiracy to torture and conspiracy to commit murder in Spain.

Foes and allies of General Pinochet each found validation of their points of view in the decision Wednesday, and there were celebrations among both the backers and opponents gathered outside the Parliament.

"This decision dispels any doubts," said Reed Brody, advocacy director of Human Rights Watch. "Not even a self-proclaimed president like General Pinochet can claim immunity after torture or give himself amnesty for his crimes."

Miguel Alex Schweitzer, a former Chilean foreign minister who is one of the general's lawyers, said, "Compared to what we had before, this is good." Fernando Barros of the Chilean Reconciliation Movement said, "It has been confirmed that the Spanish case now has no substantial basis on which to proceed."

Supporters had been hoping for a decision by the Law Lords that would have permitted General Pinochet to leave England immediately, but they spoke confidently of their expectation that he might achieve his goal now in a matter of weeks.

The Pinochet case has shaken international law, galvanized human rights and exile groups and stirred bitter and passionate old antagonisms in Chile and other countries with recent experiences of dictatorial regimes. It has brought a host of diplomatic problems for Britain even though the government has been at



General Pinochet still may be extradited to Spain to face charges.

pains to say that the detention of General Pinochet has been from the start a police and judicial matter rather than a political one.

General Pinochet has been protesting his arrest in London on Oct. 16, saying that as former head of state he has sovereign immunity. That view was upheld in a unanimous verdict by a three-judge panel of the High Court on Oct. 28 that reversed in a 3-to-2 decision of five Law Lords on Nov. 25.

British police had arrested the general in response to an application from a Spanish judge, Baltazar Garzon, seeking the general's extradition to Madrid to stand trial on charges of genocide, torture and kidnapping in connection with the death or disappearance of more than 3,000 people in the years after he seized power in a coup in 1973.

Judge Garzon is conducting an investigation into the atrocities committed during the so-called dirty wars in Latin America in the 1970s, and he exploited General Pinochet's presence in London to take his surprise action based on the mass of evidence he had been assembling.

At the time of his arrest, the general was in a London clinic recuperating from back surgery and planning his return to Chile a week later.



Pinochet foes demonstrating outside Parliament in London after the ruling on Wednesday.

Sir Michael Caine, a Founder of Booker Prize, Dies

By Warren Hoge
New York Times Service

LONDON — Sir Michael Caine, 71, a corporate chief with a love of books who was the driving force behind the Booker Prize for Fiction, Britain's most prestigious literary award, died of cancer Saturday in London.

Modeled on France's Prix Goncourt, the prize was founded in 1968 when Sir Michael was an executive and board member of Booker PLC, an international group of companies involved in food distribution and specialized agribusiness. He served as chief executive of the company from 1975 to 1979 and then as chairman until his retirement in 1993.

But that debate was overshadowed by the decision of the North Atlantic Treaty Organization to initiate air strikes against Serbia. Although not all EU members belong to NATO, they were all solidly behind the military action, which was "difficult but right," a British spokesman said.

The quick commission appointment meant that the European Parliament will be able to hold a confirmation hearing as early as next month. Mr. Prodi would then put together his own team, in cooperation with governments, which would be submitted for confirmation in the Parliament following elections June 3.

The new commission could be in office as soon as July, but probably more realistically by September. In the meantime, the present commission will remain in office as a caretaker, minus its president, Jacques Santer, who is a candidate for one of the six Luxembourg seats in the European Parliament.

Officials said that Mr. Prodi would not lead the outgoing commission through the transition period. Instead, the executive will be directed by its two vice presidents, Sir Leon Brittan and Manuel Marín.

The quick nomination met the Parliament's demands for the immediate departure of Mr. Santer and his replacement by a "strong, not docile" leader, the definition given by the head of the legislature, Jose Maria Gil Robles.

Mr. Schroeder pointed to the nomination as proof that the EU is capable of decisive action when pressed. "That is the real political gain of this fast decision," he said.

Although the nomination marks a good start to a two-day EU summit meeting here, delegations made it clear that big hurdles remained as the leaders turned to the overhaul of the EU's \$6 billion euro (\$93.85 billion) annual budget.

proceedings with anti-Semitic jokes.

John Berger, the 1972 winner, used his acceptance speech at the Cafe Royal to denounce Booker's colonial past as an owner of West Indian sugar plantations and to threaten to give his prize money to the Black Panthers. The next year, J. G. Farrell used the occasion to denounce "fat cat" corporate officers and attack the royal family.

A voracious reader himself, Sir Michael was not interested in creating best sellers and was oblivious to criticism that Booker sometimes went to writers who were obscure. "If that were all we wanted, there would be no need for judges, and the Jeffrey Archers would win," he remarked. His view of British literature before the creation of the prize was that it was "a bit peaky and down."

"The Booker," he said, "has cheered it up, made it more vibrant."

George C.S. Benson, 91, founding president of Claremont McKenna College in California, author of books on American government and politics, and deputy assistant secretary of defense for reserve affairs in the Nixon administration, died Monday.

Milton S. Gould, 89, who co-founded one of New York City's most politically connected and ethnically balanced law firms, Shea, Gallop, Clemente & Gould, died Sunday in New York.



Romano Prodi on Wednesday, when he was picked as EU Commission chief.

Britain Releases IRA Prisoners After High Court Ruling

Agence France-Presse

BELFAST — The British government has backed down after the Belfast High Court ruled illegal an attempt to block the early release of four IRA prisoners held in the top-security Maze prison.

Three of the four IRA men were released from the prison near Belfast, while the fourth, Patrick Magee, convicted of trying to blow up former Prime Minister Margaret Thatcher in 1984, will walk free in June.

The trio, Thomas Quigley, Paul Kavanagh and Gerard McDonnell, walked out of the jail late Tuesday to be greeted by friends and relatives.

The Home Office said, "We made it clear last night that we were seeking urgent clarification" of the law on the early release of Northern Ireland

prisoners as it applies to prisoners transferred from England and Wales to Northern Ireland.

That clarification has now been obtained and we accept the court's decision," the ministry added, ruling out any appeal.

Home Secretary Jack Straw had asked the Belfast court to confirm his order blocking the prisoners' release on the grounds that they had been convicted in England, not in the British-ruled province.

But the High Court rejected his arguments.

The IRA's political wing, Sinn Fein, led a barrage of criticism against Mr. Straw, whose office denied claims that he was trying to pressure the IRA to

accept the court's decision.

Ireland, and Roman Catholic nationalists, who are against the British presence.

The early release program was a highly controversial but key element of last year's Good Friday peace accord, and helped bring paramilitary groups on board.

It promised the militias that if they kept to cease-fires, their prisoners would be eligible for early release, and in any case by mid-2000.

So far, 240 paramilitary prisoners have been released early, but the four freed Tuesday were the first to have been convicted and sentenced in England to life, rather than in Northern Ireland.

Rationale for Air Strikes

After Slobodan Milosevic's army continued to shell and murder its way through Kosovo, the United States and its NATO allies began to bomb Serbian military targets on Wednesday. Mr. Milosevic was given every chance to end his aggression, and every warning of what would happen if he did not. He ignored them, and the bombing had to begin quickly before his rampage took more lives.

On Tuesday, after Richard Holbrooke, the special American envoy, reported that last-minute talks with Mr. Milosevic had failed to yield a peaceful solution, President Bill Clinton set out five persuasive rationales for American military involvement in Kosovo. The Senate was right to support him. Bombing is no sure thing, he said, but the dangers of acting must be weighed against the dangers of inaction. The purpose is to limit Mr. Milosevic's ability to attack the people of Kosovo, and get him to sign the peace plan that would be safeguarded by NATO peacekeeping troops.

There is also American interest in keeping war from spreading, possibly to the NATO members Greece and Turkey. Moreover, carrying out a threat that the West has been making since October is necessary to deter others who would kill innocents in the future. We would add that since Kosovo's ethnic Albanians did sign the peace plan, and the West has pulled its observers from Kosovo, it would be an act of betrayal to allow Mr. Milosevic to massacre the Kosovars. Serbian forces are shelling and burning vil-

—THE NEW YORK TIMES.

Africa Needs Schools

It has been nearly a decade since representatives of 155 nations gathered at one of those self-congratulatory conferences sponsored by United Nations agencies and the World Bank and promised to provide, within a decade, primary education for all children. Yet today, according to a new report from Oxfam International, roughly 125 million children of primary school age are not attending school. That is equivalent to every schoolchild in North America and Europe combined — a colossal waste of talent and a failure that almost guarantees that poverty will be bequeathed to another generation.

Some progress has been made. Despite population growth, Oxfam projects that if current trends hold, the number of children who never go to school will be reduced to 96 million by 2005 and 76 million by 2015.

The picture of too slow but real improvement masks two especially dangerous phenomena. Exclusion from education, and resulting illiteracy, is consistently a female problem: girls account for two out of three children not in school. And it is increasingly an Af-

—THE WASHINGTON POST.

Palestinian Statehood

Yasser Arafat was in Washington to see how to get off the hook he hung himself on when he said he would unilaterally declare Palestine's independence on May 4, as the five-year Israeli-Palestinian interim accord ends. The Israeli government denounced the idea and insisted that the Palestinians would pay heavily. Israel's subsequent scheduling of spring elections escalated the rhetoric on both sides.

But the Palestinian leader has since changed course. From proclaiming independence he is now trying to exchange his premature declaration for a new measure of American political support for a Palestinian state. The United States was already working its way in that direction. But it has no particular interest in rescuing President Arafat from his erratic ways. Better to move toward support of Palestinian statehood — a necessary end result — in the coming talks for a final settlement. These talks should open once Israel gets through its May elections.

Pending interim-accord obligations, for further territorial withdrawal by the Israelis and for more effective security measures by the Palestinians, need to be absorbed into the tough questions left to the final-settlement negotiators.

Meanwhile, the Israeli objection to Palestinians taking preemptive action on issues reserved for negotiations needs to be extended. On any given day the Israelis themselves are building thousands of new homes for Israeli settlers in war-won territory meant to be submitted to mutual disposition.

—THE WASHINGTON POST.

Other Comment

Reckless With Antibiotics

Several strains of bacteria have in the last decade developed resistance to the most powerful antibiotics we can throw at them. One root of the problem is the American livestock industry's practice of dumping millions of pounds of antibiotics into animal feed and water every year. The antibiotics act as growth promoters — cheap ways of fattening livestock — but they also create "superbugs."

The European Union last year banned the use of antibiotic growth promoters in livestock if those same antibiotics are used to treat disease in humans.

—Los Angeles Times.

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OPINION/LETTERS

Starting a Trade War As Good Times Roll

By Floyd Norris

NEW YORK — The consumer-confidence polls report that Americans have never felt better about the economy. But a vote in Washington last week indicates that politicians suspect the confidence is not very deep.

By a margin of 289 to 141, the House voted to impose import quotas on foreign steel. Those quotas would be imposed on all countries, not just those whose producers were selling below their costs. Never mind whether someone else is more efficient. The United States is going to protect its own industry.

There is a school of thought that dismisses the vote as irrelevant.

The Senate, goes the theory, will never go along with such protectionism. If it did, President Bill Clinton would veto the bill. So the vote was a free one, and legislators could take the popular position of protecting the domestic steel industry without fear of actually enacting what most of them know would be bad law.

That analysis probably will prove to be accurate. But the steel industry's cries for protection have had far more impact than most expected. The industry's complaints began when the collapse of demand

from Asia created a worldwide glut of steel, and steel began flooding the United States and other places where demand was still strong.

Feeling the rising political pressure, the Clinton administration took action against Japan and Brazil for dumping steel, and negotiated an agreement to cut Russian exports. But that was not enough to stop the House from passing this misguided bill.

"It is disconcerting to see people talking about this in economic times like the ones we have today," said Representative David Dreier, Republican of California and the chairman of the House Rules Committee and an opponent of the steel bill, after his side lost. He noted that there were 40 times as many American workers in industries that use steel — and benefit from lower prices — than there were in the steel industry.

Economically, the bill is nonsense. Aside from the theoretical arguments regarding the benefits of free trade, the damage to the American economy from raising prices for steel users would be far greater than the savings for the uncompetitive steel companies. The traditional argument against dumping — defined as



selling below production costs — is that the companies are trying to drive their competitors out of the market so they can raise prices later. That is obviously not the case here.

The foreign companies were desperate to find new buyers because Asian demand virtually vanished overnight, and their production costs had fallen because their workers and local suppliers could be paid with currencies that had fallen sharply against the dollar.

But it was not the economic arguments that swayed so many votes. It was a belief that voting that way was good politics. The fact that 91 Republicans chose to vote for

the steel bill may be a sign that there is considerable nervousness about the durability of the good times.

Republicans who were surprised to see that tax cuts did not seem to play in Middle America might yet conclude that protectionism will play there, particularly if the economy starts to slow.

If the American economy has an Achilles' heel, it is in trade. The United States will run a record balance-of-payments deficit this year, but seems to have paid little attention to ways of dealing with it other than protectionism.

For now, it does not matter, since foreigners have been eager to invest in the United

States, thus recycling the dollars America exports to pay for the flood of imports. But if that changes, the dollar could come under severe pressure and the Federal Reserve Board might raise interest rates to support the currency.

There are signs that the world economy is reviving, that global steel demand will rise and that steel imports will come down even without protectionism. But this bill, and similar efforts in Europe, are a reminder that trade wars are easy to start.

If such a bad bill can get so many votes in good times, what will happen in bad ones?

The New York Times.

LETTERS TO THE EDITOR

Samaranch Must Go

Regarding "Look Again: Samaranch Has Been Good for the Games" (Opinion, March 23) by Andrew Young:

Mr. Young's article is a naive response to a very serious situation. Juan Antonio Samaranch is not the solution to the International Olympic Committee scandal.

He is the problem and must be removed quickly if the IOC is to regain its international credibility.

The only way the IOC members might discontinue their support for Mr. Samaranch and his band of merry men is when they discover that the lucrative television sponsorships have been withheld.

Leadership means accepting responsibility and therefore the ques-

tion for the IOC is not if but when Mr. Samaranch will go.

ANDREW NEHAUL
Vikingavagen, Sweden

Back to the Third Way

Regarding "Europe Still Searches for a Third Way" (Opinion, March 23) by E.J. Dionne Jr.:

Contemporary conservatism is not inconsistent in its "devotion to the free market on the one hand, and to the traditional family and nation on the other hand." Before the advent of "womb to tomb" governmental support of people, families and neighbors looked out for one another.

To be on good terms with your family and neighbors was social security. Now that government has made it so we no longer need each

other, it has destroyed the very security for which it now searches. We had a Third Way. It was destroyed.

PETER SZYMAN,
Vich, Switzerland

Foreign Policy as Baseball

Spring training is almost over and another season of major league American Foreign Policy is ready to begin.

On paper we are solid, but why am I seeing so uneasy this year?

Could it be the national second-guessing of our current manager?

We have just apologized for bad sportsmanship to Guatemala. Now there is a controversy over what the Chinese did to us several seasons ago.

As if everybody doesn't steal whenever they can. The object is to score and not get caught. Right?

Speaking of which, does Israel still want to trade for Jonathan Pollard? No way. Good thing we do not go up against the North Koreans until a date to be named later.

Also, it seems as if we've got Iraq's number, as long as we keep throwing strikes. But if one of our arms suddenly goes down, we're in trouble deep.

Our offense looks strong, our defense seems sound, but my fear is that our bullpen lacks an effective closer. Extra innings will eat us up.

And about those Serbs, whom we will be facing on Opening Day?

It seems we would have a lot more fan support if we were up against old-fashioned communist sluggers instead of latter-day hit-and-run fascists. Helluva way to start a season.

RICHARD BRAVERMAN,
Le Castellet, France

The Fate of Pakistani Women

By Yasmeen Hassan

NEW YORK — On Feb. 18, the Lahore High Court ruled in the case of "Pakistani Romeo and Juliet" and upheld a marriage contracted by a woman of 30, Humaira Abbas Khokhar with Mehmood Butt.

Humaira's father, an influential legislator, who opposed the marriage, had filed a complaint for abduction against Mehmood and asked the police to find the couple. The police imprisoned Humaira in a state-sponsored shelter for women and had Mehmood and his mother held in a jail. Humaira and Mehmood were allegedly beaten by the police. Humaira's family also forcibly married her to her cousin and filed a complaint for adultery against her and Mehmood.

The unusual aspect of this case is not the extremes to which Humaira's family went to recover her or the role of the police in filing a false case against the couple and physically assaulting them in custody. Rather, what is unusual is that the case reached the Lahore High Court and that the judge ruled in Humaira's favor, going so far as to reprimand the police officers for their actions.

However, the court could only do so much — Humaira's lawyer pointed out that the couple were in greater danger after the favorable verdict because her family's "desire

MEANWHILE

for vengeance and personal vendetta was apparent." Recognizing that the state would be unable and unwilling to protect them, the couple left the country.

Situations like Humaira's are common in Pakistan, where women are viewed as the property of their male relatives, and the "honor" of the family is tied to women. This perception makes violence against women by their own families possible — including "honors killings" where a woman is killed for her actual or perceived immoral behavior, and "stove burnings" and "acid throwings" where a woman is set on fire by her husband or his family who want to get rid of her.

The concept of women as property and honor are so deeply entrenched in the social, political and economic fabric of Pakistan that the government, for the most part, ignores the daily occurrences of women being killed and maimed by their families.

Responding to a human rights report released this month which pointed out that 888 women had been killed in 1998 in Punjab Province alone, the government said that such problems were outside its control as they were "a feature of a feudal society" and, as such, it was wrong to blame the government for these human rights violations.

Because of such attitudes and apathy on the part of the state, a woman in a violent domestic situation generally has nowhere to turn. If she complains to the police she runs the risk of being raped and abused by them and then returned to her family. If she runs to a state-sponsored shelter, she is imprisoned in the shelter and cannot leave without either a court order or her family's concurrence. If she

The author, a Pakistani working at an American law firm, has published "The Haven Becomes Hell: A Study of Domestic Violence in Pakistan." She contributed this comment to the International Herald Tribune.

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ECO-EFFICIENCY: TURNING GREEN INTO GOLD



World Business Council for Sustainable Development

NINTH IN A SERIES

Eco-efficiency has come a long way since it was first coined at the 'Rio Earth Summit' in 1992. Today, the success of this business concept is being demonstrated by the growing number of companies which have adopted it as their business norm and translated it into action — reaping profits in the process. Also, it is now firmly on the agenda of governments.

European Union governments are starting to integrate eco-efficiency into their policies to stimulate progress toward sustainable industrial development. The OECD has enrolled its own program on eco-efficiency and evidence of this is a major conference held on the topic last week in Australia with top business, government and OECD officials. So, from all walks of life, people around the globe are discussing the merits of eco-efficiency.

What is eco-efficiency?
Coined by business for business, eco-efficiency is industry's contribution to sustainable development. It is designed to encourage businesses to become more competitive, more innovative and more environmentally responsible by combining economic and environmental efficiency.

The ultimate goal of eco-efficiency is to grow economies qualitatively — that is, to provide more value — not transform more materials and energy into more waste. In short, eco-efficiency is about doing more with less, which is good for the environment and also good for business.

How is business implementing eco-efficiency?
Eco-efficiency allows companies to transform the challenge of sustainability into a business opportunity.

Worldwide and across all sectors, large and small companies are moving from costly end-of-pipe solutions to integrating environmental elements into their operations. By taking a life-cycle approach, companies can reduce consumption of resources, lessen environmental burdens and limit risks and liabilities. Applying eco-efficiency also leads to economic advantages by cutting a company's total cost of ownership and shortening pay-back periods on necessary capital investments.

Another value-creating aspect of eco-efficiency is *By-Product Synergy* which entails using the by-products and wastes of one industry as the raw materials and resources for another — thus creating zero waste. Companies which adopt this strategy increase their profitability, reduce pollution and natural resource use and alleviate the adverse environmental impact of industrial development.

Further, eco-efficiency enables businesses to manufacture new and better products with enhanced functionality. Some companies, for instance, now lease their products as compared to previously just selling them. This service-intensive approach can help shift market mechanisms toward more sustainable consumption, and bring eco-efficiency into the market.

Only what gets measured gets done
Although the concept of eco-efficiency is now well

established and is widely recognized as a fruitful way forward for business, there is no generally agreed method of measuring it. When reporting on their environmental performance, companies tend to concentrate on what they are doing to cut emissions and waste.

Important though this is, it is only part of the story. In the absence of a common yardstick, how can governments, financial markets, the public and even business judge whether a company is becoming more eco-efficient? A system of measurement is needed that allows valid, quantitative comparisons to be made between the eco-efficiency performance of one company, or business sector, and another.

Translating environmental data into financial terms is critical for further progress by business toward sustainable development. The financial markets hold the score card both when it comes to evaluating companies on the stock exchange and on pricing risks which influence interest rates and insurance premiums. It is clearly in the interest of the "good performers" in business to report their achievements to the financial markets to get a proper recognition for their results.

What are the limits of eco-efficiency?
As more and more companies and governments adopt eco-efficiency, the future prospects for this concept become even more substantial. Yet, it is difficult to judge what the ultimate potential is — as the limits of eco-efficiency may well be in our own minds. On the micro level, the single most important requirement is senior management commitment. If the company lacks the vision of how to become more sustainable, the likelihood of success is limited. On the macro level, governments have the responsibility to put in place framework conditions which support business's drive toward eco-efficiency.

Ultimately, it is human ingenuity and innovation which will decide how successful we can be. To quote Albert Einstein: "you cannot solve a problem by using the same thought process that created it."

What Is the WBCSD?

A business group of some 120 leading international companies united by a shared commitment to sustainable development. Members are drawn from 30 countries and more than 20 major industrial sectors.

The WBCSD is uniquely positioned to look at areas of sustainable development where industry's voice can make a difference. The WBCSD also benefits from a thriving global network of national and regional business councils and partner organizations, representing more than 600 business leaders.

What Is Its Mission?

The WBCSD aims at developing closer co-operation between business, governments, NGOs and other organizations concerned with sustainable development. It also encourages high standards of environmental management in business.

How Does the WBCSD Operate?

Membership is by invitation to companies that are committed to the concepts of sustainable development and responsible environmental management. The WBCSD is governed by a council composed of the chief executives of the member companies but overall direction of the WBCSD lies with the Executive Committee.

What Are the WBCSD Priorities?

The WBCSD operates through working groups comprising member companies and outside experts. Each working group is co-chaired by two CEOs. Areas of focus include eco-efficiency, corporate social responsibility, climate and energy issues, sustainability through the market, and natural resources. In parallel, the WBCSD carries out an intelligence function through its Scenario Unit for its members on emerging environmental trends.

Publications

The WBCSD publishes a wide array of reports and books on topics linked to business and sustainable development. The latest release is *Meeting Changing Expectations*, a first report on corporate social responsibility co-authored by Phil Watts of Shell and Lord Holme of Rio Tinto.

WBCSD MEMBER COMPANIES

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Lyonnaise des Eaux • Sulzer • Suncor Energy • TX! • Taiwan Cement • Thai Farmers Bank • Time Warner • Tokyo Electric Power Company • Toyota • TransAlta • UBS • Unilever • Unocal • UPM-Kymmene • Vattenfall • Volkswagen • Westvaco • Weyerhaeuser • White Martins • WMC • Xerox • Yasuda Fire & Marine Insurance • Zurich Financial Services

TribTech

Europe, Asia and U.S. Argue Over Solving Mobile-Phone Jam

By Eoin Licken
Special to the Herald Tribune

PARIS — To the uninitiated, it may sound like premature aging, but the technology driving the world's mobile-telephone networks is getting too old to keep up with demand.

The popularity of cell phones is causing congestion problems, particularly in cities, making necessary new types of networks to replace the decade-old current technology.

The new technology, officially called International Mobile Telecommunications 2000 but more commonly known as third-generation cellular technology, also will provide faster access — or more bandwidth — for data telecommunications, allowing network operators to increase Internet service and other nonvoice functions for mobile phones.

Another motivation for revamping the technology is to offer users truly worldwide access.

Europe's mobile-phone users have been able to make and receive calls while roaming between different countries for nearly a decade under the existing technology. But the dream of global roaming — using the same phone in any wireless network anywhere in the world — remains just that: a dream. Satellite phones allow global calling, but they are expensive.

The first-generation mobile telephone networks, introduced in the 1980s, were analog systems, and phones could only be used within their home networks. The second generation allowed roaming between different networks, with Europe introducing the first wave of digital networks, called Global System for Mobile Communications, or GSM.

But while industry and governments support third-generation technology, Europe, the United States and Asia are already bickering over their differing standards as well as over patent rights.

The International Telecommunications Union, the United Nations body responsible for coordinating global regulations, has set a deadline of the end of this month for resolving a deadlock between Washington and the European Union over how many third-generation technical standards there will be, as well as their key characteristics.

These standards define how the various components of mobile networks — the phones, transmitter stations and switches — communicate with each other, as well as which parts of the radio spectrum are used to link the phone and the network. Everything, starting with the power levels and frequencies used in voice- and data-coding techniques, must be tightly specified.

But while Europe and the United

In 2001, I'll See You on the Phone

Special to the Herald Tribune
EXISTING mobile phones have not allowed users to make calls in the United States, Europe and Asia using the same phone.

But the next generation of mobile networks will allow them to do so and will provide better services to boot.

Not only will the third-generation networks, which will be operational from 2001, let callers use their phones anywhere, but they also are likely to be much more than just phones.

Users can expect to be able to receive electronic mail and reach the Internet, reserve air tickets and check a flight's status or buy cinema tickets after watching a preview of a movie on the phone's screen.

Tests already under way in Japan include a phone with a built-in camera and screen for sending and receiving images.

Even though the technology standards are still being worked out, manufacturers are already developing and testing equipment for the new generation. Nokia Oy of Finland is supplying handsets for the tests in Japan, although these are more correctly called "terminals" because they have not yet been made small enough to be considered a handset.

Motorola Inc. of the United States and Alcatel SA of France are jointly developing third-generation network equipment, although each will develop its own handsets.

Other major manufacturers, such as Ericsson AB of Sweden and Lucent Technologies Inc. of the United States, are also already developing third-generation equipment.

— EOIN LIKEN

Nokia's third-generation phones include prototypes that can display a personal schedule and train timetable, above; and a digital postcard, at left.



States have yet to agree on standards, events are threatening to overtake the ITU efforts.

The European Technical Standards Institute, based in France, opted last year for one particular standard, variously called UMTS or wideband CDMA.

But the largest Japanese mobile operator, NTT DoCoMo, a unit of Nippon Telegraph & Telephone Co., meanwhile opted for a slight variant on the UMTS standard.

FINLAND began accepting license applications for UMTS in December, even though service will not start until around 2002.

The British government is also awarding licenses this year, and manufacturers are already making test equipment that uses the standard.

NTT DoCoMo is one of several operators worldwide performing such tri-

als, and it says it will be the first to offer commercial UMTS service, in 2001.

Washington is calling for the ITU to accept not only UMTS but at least one other standard, in part to allow American manufacturers greater selling opportunities worldwide.

Broadly speaking, the differences among manufacturers have two roots.

One is a historical difference between the current mobile-telephony standards being used in the United States and those most of the rest of the world. The other is a dispute over patents between two suppliers, Ericsson AB of Sweden and Qualcomm Inc. of San Diego.

While most of the world adopted variants of the European-designed GSM, the United States has comparatively few GSM networks. U.S. networks are a mix of several other standards, including two second-generation technologies, CDMA and TDMA.

Thus, most phones that work in Europe do not work widely in the Americas, and vice versa.

This is significant because whatever third-generation standard is chosen, network operators want owners of the new phones to be able to use the existing networks as well.

Installing third-generation networks will cost tens of millions of dollars for even a medium-sized city and will probably commence with islands of third-generation radio coverage, where owners can benefit from such improved services as faster data rates, in a sea of continuing second-generation service.

The third-generation standard, approved by the European Technical Standards Institute, for example, will provide phones with data speed of 2 megabits a second within buildings, while phones outdoors will receive data at a lower speed.

The current transmission speed under GSM is 9,600 bits a second.

Europe's approval of a single standard freed American negotiators and industry leaders, who said the ITU must accept multiple standards.

The issue became politicized in December when Washington sent a letter to the European telecommunications commissioner, Martin Bangemann, warning that a single standard would restrict competition.

THE EUROPEAN Commission replied that the issue concerned standardization, not politics, and that the Technical Standards Institute's decision did not preclude use of other standards.

Sources say the ITU will back three standards: CDMA2000, a third-generation version of the American CDMA digital standard; a UMTS variant that is

compatible with GSM, and one based on TDMA, the other major second-generation American technology.

Meanwhile, a Texas court is to start hearings next month on the dispute over third-generation patent rights between Qualcomm and Ericsson.

The American company wants UMTS harmonized with the standard it prefers, CDMA2000.

Qualcomm maintains that UMTS is based in part on CDMA technology whose patents it holds, and it has threatened that it will not license the technology to other companies unless there is agreement on a converged standard. Ericsson says UMTS is based on patents other than Qualcomm's.

In February, however, both sides expressed a willingness to try to resolve the dispute before their court date.

Eoin Licken can be e-mailed at elicken@soleti.com



Ericsson is developing phones that can recognize complex alphabets, above; and that can be used to make payments and keep accounts, at left.

Amsterdam Airport Schiphol

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BRIEFLY

BILLIONS LOST TO THEFT: Criminals are raiding shipments of computers, microchips and cell phones, costing technology companies \$250 million a year in direct losses and forcing them to spend another \$750 million on insurance and security measures, according to a new study.

Losses to distributors, retailers and customers were not measured, but the researchers at Rand Corp. estimated that they might run as much as four times what manufacturers lose, putting the total cost of technology hardware theft as high as \$35 billion a year. (NYT)

ACHIEVING A TRUE BLUE: Limited by a short wavelength, the color blue never has been done justice on computer or movie screens.

The Corporation for Laser Optics Research, or COLOR, has spent about \$12 million developing a projection system that is true to blue light. The key is creating a powerful blue laser, something the New Hampshire company says it accomplished when it produced a seven-watt beam of blue light. (AP)

Y2K: BRING IN THE MARINES: A contingent of Washington-based Marines trained recently on how to handle civil unrest, using a scenario based on government workers rioting over computer problems associated with the millennium bug that prevented paychecks from being issued. (WP)

TECHNOLOGY INDEX

Technology stock indexes around the world:

North America	Tuesday close	Pct. change previous week	Pct. change year to date
Pacific Exchange Tech	466.28	+3.80	
S&P Tech Composite	1,218.07	+4.27	
Europe			
Morgan Stanley Eurotec	560.23	-8.23	
Asia			
Topix Electric	1,805.99	+17.08	
Source: Morgan Stanley, Bloomberg News			

For technology articles from the past week, see TribTech on the IHT's World Wide Web site at <http://www.iht.com>. Articles include:

• The PC: At a Crossroads, March 18

• Mobile Phone Roaming: Easier but Not Cheaper, March 18

• Phone Deal Would Create Internet-Based Network, March 18

• Virtual-Reality Thrills in Japan, March 19

• Post-PC Era Dream: Linking Up All Electronic Devices, March 19

• Comcast to Buy MediaOne Group, March 22

To reach TribTech editors or to comment on IHT tech coverage, send e-mail to tribtech@iht.com.

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Herald Tribune
BUSINESS/FINANCE

THURSDAY, MARCH 25, 1999

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High-Profile Call for Lower Yuan

Prominent Economist Says China Should Let Currency Fall

By Philip Segal
International Herald Tribune

HONG KONG — The international economist Jeffrey Sachs, in a rare public duel, with the International Monetary Fund, recommended Wednesday that China gradually devalue its currency, the yuan.

The yuan is "in danger of being on the slippery slope of unchangeability" and should be devalued by "a few percentage points," said Mr. Sachs, a professor at Harvard University and director of the Harvard International Institute for Development.

Though many analysts have said any devaluation of the yuan would cause renewed panic in the financial markets of Asia and beyond, Mr. Sachs insisted that "if it's gradual, it isn't dangerous."

His comments followed a debate with a senior member of the International Monetary Fund, Hubert Neiss, the organization's Asia-Pacific director.

In the exchange of remarks at a conference sponsored by the investment bank Credit Suisse First Boston, Mr. Sachs and Mr. Neiss differed over whether the IMF helped to limit or to exacerbate the panic in financial markets in Asia in late 1997.

Mr. Sachs conceded that the IMF had learned little from flawed management of the Asian financial crisis and that similar mismanagement was leading Latin America "off a cliff."

In Asia, "we're probably on the recovery side of this financial crisis," said Mr. Sachs. "But the news from Latin America is very, very bad."

Mr. Sachs has consistently differed with the IMF, including its policies of preserving exchange rates at great cost to economic growth, and on Wednesday Mr. Neiss rejected Mr. Sachs's idea that a devaluation of the yuan was advisable now.

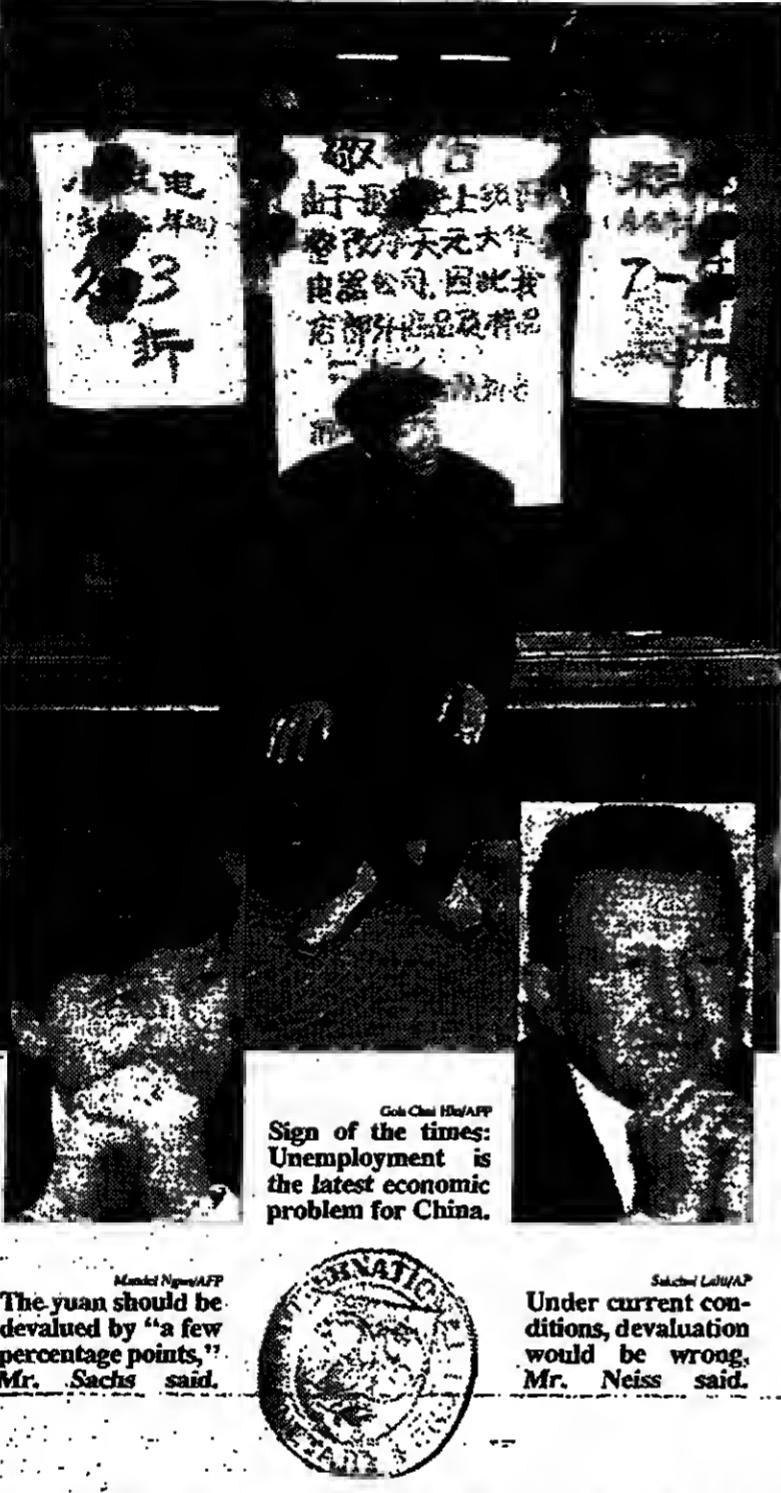
China "should, and they will and they can," hold the yuan at its current level, since floating an exchange rate in times of economic uncertainty is counterproductive, Mr. Neiss said. China is not a formal client of the IMF.

In the past year, fears of a possible yuan devaluation have shaken markets across Asia. Interest rates have shot up on the assumption that Hong Kong would be hard-pressed to defend its currency's link to the U.S. dollar, if the yuan weakened considerably. But Mr. Sachs argued that a "weaker yuan is actually good for Hong Kong" because the territory is a service center for China rather than a competitor with China's exports.

Mr. Sachs has long held that delaying currency devaluations only causes more panic when they eventually occur and that it is best to accede to market exchange rates as early as possible. Yet, he said that Hong Kong was probably unable to escape its pegged currency, an arrangement in place since 1983, because "it's a financial center, based on the peg."

Mr. Sachs says he has no direct financial interest in advising governments, but the Harvard International Institute for Development does advise many governments around the world with policy suggestions that in some cases clash with the prescriptions of the IMF.

Mr. Sachs said the IMF had undertaken a futile attempt to support an overvalued currency in Brazil and had



Sign of the times: Unemployment is the latest economic problem for China.

The yuan should be devalued by "a few percentage points," Mr. Sachs said.

Under current conditions, devaluation would be wrong, Mr. Neiss said.

essentially wasted the \$41.5 billion it pledged to the country in December.

The high interest rates that were needed to support the currency have caused "one of the world's most unnecessary recessions," he argued.

He contended that it might have made more sense to disperse the aid package after the currency settled at its market rate.

Mr. Sachs said the IMF also erred in its dealings with the banking sector in Ecuador. Last week, the second-largest bank in Ecuador was closed, the eighth to be shuttered since August.

The IMF, he said, committed similar mistakes in Indonesia in 1997, when 16 banks were quickly closed in a move that even Mr. Neiss conceded could have been executed more smoothly.

Despite overnight interest rates of more than 23 percent, the Ecuadorian currency has fallen by 60 percent in the

See IMF, Page 13

INTERNATIONAL MANAGER



DaimlerChrysler Feels the Strains of 2 Cultures

By Keith Bradsher
New York Times Service

DETROIT — The combination in November of Daimler-Benz AG and Chrysler Corp., presented at the time as a merger of equals, is producing considerable unhappiness among some American managers at Daimler-Benz AG, who contend privately that the combined company has come to be dominated by Germans.

Several recent developments have worried some of the Americans, although the company's management board is divided equally between Americans

and Germans.

A growing number of auto executives say that they expect Robert Eaton, the former chairman and chief executive of Chrysler and now one of the chairmen of Daimler-Benz AG, to stay the three years after the merger that his employment contract allows.

American managers still at Daimler-Benz also complain privately that more and more decisions are being made at Daimler's former headquarters in Stuttgart even though Daimler-Benz of-

icially has dual headquarters there and in the Detroit area.

Cultural differences, while perhaps seeming unimportant on the surface, can pose serious problems in international mergers. Renault of France had to sell its controlling stake in American Motors Corp. to Chrysler in 1987 because clashes between American and French executives produced managerial chaos; a planned merger of Renault and Volvo AB was called off six years later because French and Swedish managers could not get along.

Gerald Meyers, the former chairman and chief executive of American Motors, said that Germans were dominating Daimler-Benz now and that this was hurting company morale in the United States. "To have to go and kneel at the altar of Stuttgart has to be demoralizing," Mr. Meyers said.

Daimler-Benz executives acknowledge that some employees are worried about the effects of the merger. But they say that these concerns, particularly the persistent and anxiety-causing rumors that

Sally Aw Sells Publishing Empire

HONG KONG — A Hong Kong tycoon is selling her publishing empire to an investment bank in a deal worth \$25 million. Hong Kong dollars (567.7 million) intended to rescue her from bankruptcy, it was announced Wednesday.

Sally Aw agreed to sell her 50.02 percent stake in Sing Tao Holdings Ltd. to a subsidiary of Lazard Asia Ltd. after talks with a bidding group led by the U.S. financier Sam Zell and several Dublin-listed investment funds fell apart.

Miss Aw, heiress to a Hong Kong fortune that began with a cure-all ointment known as

Mr. Eaton is planning to step down as chairman.

CURRENCY RATES

March 24

Other Dollar Values

Country	Per \$	Per 100	Per 1000	Per \$	Per 100	Per 1000
Australia	0.7975	5.4021	51.022	1.0547	7.9495	79.495
Austria	1.5632	11.025	110.25	1.7211	12.490	124.90
Belgium	1.8655	13.085	130.85	2.0252	15.000	150.00
Canada	1.6985	11.378	113.78	1.8543	13.855	138.55
Chile	0.8270	5.845	58.45	1.0043	7.351	73.51
China	55.17	3.221	32.21	74.29	4.643	46.43
Czech Republic	2.221	15.830	158.30	2.429	16.915	169.15
Egypt, pound	3.415	24.784	247.84	3.563	25.374	253.74
France	7.748	52.950	529.50	8.2905	58.924	589.24
Germany	1.4585	10.299	102.99	1.6215	11.415	114.15
Hong Kong	7.2939	51.205	512.05	7.5630	52.755	527.55
Ireland	1.0922	0.6452	6.452	1.2414	0.8094	8.094
Italy	1.5088	10.500	105.00	1.6707	11.705	117.05
Japan	1.508	10.500	105.00	1.6707	11.705	117.05
Malta	1.6239	11.175	111.75	1.7832	12.817	128.17
Mexico	1.2037	8.079	80.79	1.3671	9.781	97.81
Netherlands	1.5074	10.306	103.06	1.6707	11.705	117.05
New Zealand	1.508	10.500	105.00	1.6707	11.705	117.05
Norway	1.5079	10.306	103.06	1.6707	11.705	117.05
Portugal	1.5074	10.306	103.06	1.6707	11.705	117.05
Spain	1.5074	10.306	103.06	1.6707	11.705	117.05
Sweden	1.508	10.500	105.00	1.6707	11.705	117.05
Switzerland	1.508	10.500	105.00	1.6707	11.705	117.05
United Kingdom	1.508	10.500	105.00	1.6707	11.705	117.05
United States	1.0000	6.452	64.52	1.1632	8.094	80.94
Yugoslavia	1.508	10.500	105.00	1.6707	11.705	117.05

European Cross Rates

Int'l-Euro rates are permanently fixed.

Avg. Bid. Ask. Fwd. Fwd.

Dollar 12.5947 24.922 5.4021 4.0000 1.7902 0.0208 173.25 2.0771 103.59 151.29

French Franc 0.8270 14.2291 3.0000 2.6071 0.8255 0.2671 2.9557 3.5735

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Italian Lira 0.8271 14.2291 3.0000 2.6071 0.8255 0.2671 2.9557 3.5735

Swiss Franc 0.8271 14.2291 3.0000 2.6071 0.8255 0.2671 2.9557 3.5735

Yen 9.23 23.84 5.4021 4.0000 1.7902 0.0208 173.25 2.0771 103.59 151.29

Other Cross Rates

Avg. Bid. Ask. Fwd. Fwd.

Belgian Franc 40.399 40.399 10.000 8.000 1.7902 0.0208 173.25 2.0771 103.59 151.29

Danish Krone 1.508 1.508 10.000 8.000 1.7902 0.0208 173.25 2.0771 103.59 151.29

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EUROPE

OECD Cuts Growth Forecast for Euro Countries BNP's Bid Meets New Resistance

Compiled by Our Staff From Dispatches

PARIS — The Organization for Economic Cooperation and Development cut its forecast Wednesday for economic growth this year in the 11 euro-zone countries to 2.0 percent from 2.5 percent, reflecting the effect of continued international market turbulence.

The slowing of growth as inflation remains subdued suggests that the European Central Bank can cut interest rates further, the OECD said in a report on the economies of the countries that adopted the European currency, the euro, Jan. 1.

The OECD said its previous growth forecast, released in November, had been partly superseded by the financial crisis in Brazil and by a decline in business confidence in the single-currency region.

Further damage could be done if negative economic conditions persist in Japan and elsewhere, causing financial markets to suffer and hitting consumer confidence and spending, the organization said. This would be sufficient to stall any rebound in euro-zone growth, it added.

Moreover, a projected slowdown in growth in the United States and Britain, the euro area's two largest trading partners, could further hit business confidence, especially if there is fresh turbulence in emerging markets.

The 29-nation OECD said the current "fairly easy" monetary policy in the euro area would underpin recovery but said it was likely that some cyclical slack in the economy would persist next year and that inflation would hardly rise.

"Given also that inflation is currently falling, reflecting modest wage growth in most euro-area countries as well as temporary factors such as lower world commodity prices and import prices due to the exchange-rate appreciation," the OECD said, "these factors may provide some further scope to ease the monetary-policy interest rate below the current level of 3 percent."

The organization also issued a call for greater flexibility in European labor markets, saying this could stimulate growth and help cushion the region from economic shocks.

The report urges countries to encourage greater mobility of labor within the 15-nation European Union and to allow for more flexibility in salary levels.

On another issue, the OECD

joined in the recent chorus of criticism of the idea of target zones to control fluctuations among the world's main currencies. Some politicians and economists have suggested such targets in an effort to ease the financial turbulence that can result from wild swings in currencies. (Bridge News, Reuters, AFP)

■ British Exports Decline

British exports fell to a four-year low in January, widening the trade deficit by £291 million (\$363 million) from December, to a record £2.83 billion, according to government figures reported by Agence France-Presse from London.

The Office of National Statistics said the value of exports was at its lowest point since April 1995, hurt by the strength of the pound.

C&W and MediaOne Ponder a Sale or IPO for Venture

Compiled by Our Staff From Dispatches

LONDON — Cable & Wireless PLC and MediaOne Group Inc., joint owners of Britain's smallest mobile-telephone company, One2One, said Wednesday they might put the business up for sale "as it stands."

The two companies are considering an initial public offering or a potential strategic sale of all or part of the company. Cable & Wireless and MediaOne said in a statement. Analysts estimate the value of the

company at between \$9 billion and \$12 billion.

Speculation that One2One might face a partial sale has mounted since MediaOne, which owns 50 percent of the concern, agreed to a \$60 billion bid by another U.S. cable company, Comcast Corp., on Monday. MediaOne said at the time that it planned to focus on cable operations.

But analysts said the fact that Cable & Wireless was joining MediaOne in exploring "strategic alternatives" for One2One could herald a change of direction.

"Rather than focusing on being all things to all men, they are focusing on their core competence," an analyst said. "They think their core competence is running global networks."

Although One2One has been seen as something of a laggard in the British mobile-phone market, its subscriber numbers have been surging lately.

"I would have guessed the business would be a long-term strategic

asset for C&W," said Justinian Clifford-Bowles, a telecommunications analyst at Commerzbank Global Equities. "However, every asset has a price."

Analysts said potential buyers for One2One were likely to include companies such as Deutsche Telekom AG and Mannesmann AG, which have European networks but need a foothold in Britain.

Cable & Wireless shares rose 13 pence to close at 743 pence. (Reuters, Bloomberg)

IMF: Economists Argue Over Whether Fund Has Learned Lessons From Crises

Continued from Page 11

rency, the baht. In a polite but firm response, Mr. Neiss said that the IMF had recommended to Thailand that it devolve its currency as early as January, 1997 but that Thailand had not taken this advice.

"We also convinced the Philippines to stop pegging its currency," he added, referring to the longtime IMF client which has been comparatively lightly hit by the crisis.

■ More Indonesia Aid

Mark Lander of The New York Times reported from Hong Kong:

WORLD STOCK MARKETS

Wednesday, March 24

Prices in local currencies. In euros for EU countries. Telers

High Low Close Prev.

Amsterdam AEX: 2,524.25 Previous: 2,524.25

www.nse.nl

ABN-AMRO 19.00 18.45 18.75 19.20

Angen 92.50 85.50 85.90 87.70

Arnold 35.00 34.50 34.80 34.80

ASML 40.50 39.50 39.15 41.20

ASR Verz. 8.35 8.15 8.35 8.50

Bahemars 14.60 14.50 14.40 14.60

Cap Gemini 20.00 19.50 19.50 20.00

Dordtse Po 41.00 40.50 41.00 42.00

DSW 7.50 7.50 7.50 7.50

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Wednesday's 4 P.M. Close
The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month
High Low Stock Div Yld PE 100s High Low/Lated Chgs

A-B-C											
12 Month High	Low	Stock	Div	Yld	PE	100s High	Low	Lated	Chgs		
200	14%	AAR	25	2.0	125	1284	1654	1575	1626		
201	24%	ABCI	10	2.3	125	1284	1654	1575	1626		
202	14%	ABIN	100	1.0	125	1284	1654	1575	1626		
203	14%	ABIN Am	100	1.0	125	1284	1654	1575	1626		
204	14%	ACACIA	100	1.0	125	1284	1654	1575	1626		
205	7%	ACM	100	0.1	125	1284	1654	1575	1626		
206	7%	ACM Sc	100	0.1	125	1284	1654	1575	1626		
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ASIA/PACIFIC

Nomura Securities Is Hit With a Near 'Junk' Rating

Compiled by Our Staff From Dispatches

TOKYO — Two U.S. credit-rating agencies lowered their ratings on Wednesday for Nomura Securities Co. to near "junk" status, saying that losses abroad and reorganization costs at home had eroded the capital of the brokerage firm, which is the biggest in Japan.

The downgrade underlines the troubles facing the Japanese brokerage industry, under threat from stepped-up competition amid financial reforms and from continued sluggish business on the Tokyo stock market, analysts said.

In a move signaling further industry consolidation, two second-tier brokerages, New Japan Securities Co. and Wako Securities Co., announced Wednesday that they would merge in April 2000 to create the nation's fourth-biggest brokerage house.

Even Nomura, considered the best placed to

take advantage of the "Big Bang" — Japan's effort to open its financial industry to greater competition — is facing severe problems.

"The slow pace of Nomura's restructuring and strategic repositioning could leave the firm increasingly vulnerable to domestic and foreign competitors and to adverse market conditions," said Moody's Investors Service Inc., which cut Nomura's long-term debt rating to Baa2, two notches above speculative status, or junk, from Baa1.

Moody's said it would continue to review the company and might lower ratings further.

Potential loan losses at an affiliate, Nomura Finance Co., pose another challenge for the company, Standard & Poor's Corp. said.

Nomura took a huge 207.3 billion yen group net loss in the half year through September, as global market turmoil ravaged the country's top three brokerages.

The downgrade hit shares in the brokerage, which fell 76 yen to close at 1,364.

To raise capital, Nomura has asked Sanwa Bank Ltd., Sakura Bank Ltd. and Industrial Bank of Japan Ltd. for 100 billion yen each in subordinate loans, the paper said.

It asked for an additional 100 billion yen in subordinate loans from Dai-Ichi Kangyo Bank Ltd., Daiwa Bank Ltd., and Toyo Trust & Banking Co., the paper said.

S&P cut its long-term rating on Nomura to BBB, also two notches above junk.

"It is unclear whether Nomura's profitability will improve significantly over the medium term amid the intensifying competition in its home market," Standard & Poor's Corp. said.

Nomura took a huge 207.3 billion yen group net loss in the half year through September, as global market turmoil ravaged the country's top three brokerages.

Moody's warned that Nomura's leadership in Japan was under challenge from successful foreign investment banks and domes-



Tadashi Kawaguchi, left, of New Japan Securities, closing a merger deal Wednesday with Masaaki Sugishita of Wako Securities, to take effect in 2000.

tic securities firms whose competitive strengths and credibility had been helped by major affiliates.

(Reuters, Bloomberg)

3 in Tokyo Indicted in Bank Losses

The Associated Press

TOKYO — Prosecutors indicted two former presidents of the collapsed Hokkaido Takushoku Bank Ltd. and a businessman Wednesday for causing massive losses to the bank through illegal loans, an official said.

The three indicted were the former presidents, Hiroshi Yamamoto, 71, and Sadamasa Kawamura, 64, as well as Yoichi Nakamura, 58, former president of Therme Group, a hotel management company, the prosecutor Atsushi Terao said.

He said the three were indicted on charges of aggravated breach of trust as the bankers, in conspiracy with Mr. Nakamura, extended about 8.6 billion yen (\$72.8 million) to Therme Group starting in 1994, even though they knew that the loans were unrecovable.

Hokkaido Takushoku collapsed in November 1997 under the weight of massive bad loans.

Therme was developing a resort

in Sapporo, about 830 kilometers (520 miles) north of Tokyo. The development retail outlet in return for its investment.

The three men face up to 10 years in prison if convicted.

■ Taxpayer Money Sought

Shoring up Japanese banks with an injection of taxpayer money is the only way to stabilize the industry and restore public trust, the country's financial reconstruction chief said Wednesday. The Associated Press reported from Tokyo.

Japanese banks need capital reserves as plentiful as those in the United States, Hakuo Yanagisawa said in a speech at the Foreign Correspondents' Club of Japan. Otherwise, he said, they will not be able to regain international confidence.

After the stabilization there will be time to deal with whatever non-performing and questionable loans remain, preferably by banks removing them from their balance sheets and repackaging them for sale.

Mr. Yanagisawa said he did not believe it would take 10 years or more for Japanese banks to completely wipe away their problem loans, as some critics have claimed.

"In Japan, once something starts, it's very quickly achieved," he said.

Mr. Yanagisawa's Financial Reconstruction Commission is overseeing a bad-loan cleanup that is the cornerstone of the government's plan to pull the country out of its worst recession since World War II.

Investor's Asia

Exchange	Index	Wednesday	
		Prev. Close	Change
Hong Kong	Hang Seng	10,711.34	+2.69
Singapore	Straits Times	1,482.86	-0.70
Sydney	All Ordinaries	2,965.70	-0.73
Tokyo	Nikkei 225	15,518.47	-16,019.10
Kuala Lumpur	Composite	494.57	+0.48
Bangkok	SET	360.35	-365.74
Seoul	Composite Index	611.48	-0.47
Taipei	Stock Market Index	6,889.82	-5,945.48
Manila	PSE	2,025.54	-0.80
Jakarta	Composite Index	361.35	-0.88
Wellington	NZSE-40	2,115.50	-2,148.48
Bombay	Sensitive Index	3,682.69	-3,757.50

Source: Telefors

International Herald Tribune

Very briefly:

• NEC Corp. will tie up with Siemens AG to jointly develop and market next-generation mobile communication systems.

• Tesco PLC will invest \$250 million in the retail operations of Samsung Corp., acquiring a 51 percent stake in a new joint venture retail outlet in return for its investment.

• Fuji Photo Film Co. will report its first drop in group profit in six years because of weak demand for camera film.

• Malaysia's Corporate Debt Restructuring Committee said 47 firms had applied for assistance in restructuring debts worth 25 billion ringgit (\$6.6 billion).

• Tongyang Cement Co., South Korea's second biggest cement maker, will acquire five of its customers and merge with Tongyang Global Co., a unit of Tongyang Group, to help expand its business.

• Ulead Systems Inc. surged the maximum 7 percent daily limit on its first day of trading in Taiwan, closing at 90.5 Taiwan dollars (\$2.73), as investors snapped up the first initial public offering of a software company.

• Acer Inc.'s expects its March sales to reach a record as it ships more products to International Business Machines Corp.

• Kerry Packer, the richest man in Australia, offered 609 million Australian dollars (\$3.68 million) for Hoyts Cinemas Group, the latest in a string of acquisitions designed to strengthen his entertainment businesses.

• India's market regulator has asked the president of the Bombay Stock Exchange, J.C. Parekh, to resign in connection with an investigation into share dealings.

• Siam Cement PCL, the biggest industrial group in Thailand, met its sales subscription target for 10 billion baht (\$266 million) in five-year debentures. The sale is the first step in its plan to raise 50 billion baht through its first sales of bonds.

• City Developments Ltd.'s net profit for 1998 fell 69.8 percent from the previous year, to 123.7 million Singapore dollars (\$71.5 million), dragged down by lower sales and provisions to mitigate the sharp drop in property prices in the island state.

AFP, Bloomberg, Reuters

Japan Cuts Taxes in Bid to Lift Spending

Compiled by Our Staff From Dispatches

TOKYO — Parliament on Wednesday approved bills providing a record 9.4 trillion yen (\$79.2 billion) in corporate and personal tax cuts that are aimed at bolstering weak consumption and sparking an economic recovery.

The passage of the bills came as Masaru Hayami, governor of the Bank of Japan, reiterated that Japan's economy was no longer in decline because the government had increased spending on public works, companies have trimmed excessive inventories and industrial output has stopped falling.

Still, corporate profits continue to shrink and employment and wages are deteriorating, the governor said in a speech to the Central Council for Savings Information, which tracks Japan's savings data.

"It's hard to expect an immediate self-sustained recovery," Mr. Hayami said.

Parliament's approval of the bills was widely expected because both the ruling and opposition party legis-

lators have been working to accelerate implementation of economic stimulus plans to lift the economy out of its worst recession since the end of World War II.

This step, to take effect in April, will cut corporate taxes by a total of 2.3 trillion yen.

Mr. Hayami's assessment of the country's economy echoed the central bank's monthly economic report released last week.

Since Feb. 12, the central bank cut its target for the key interbank overnight loan rate by 10 basis points, to 0.15 percent, to support the economy.

The bank has subsequently guided the rate to a level near zero. The step has pushed down yields on money market vehicles at maturity of one to three months and on government bonds and also helped to lift stocks, Mr. Hayami said.

The yield on the benchmark 10-year government bond was quoted Wednesday at 1.755 percent, down from 2.44 percent posted on Feb. 4, lowering the costs of long-term borrowing such as housing and capital investment.

(AP, Bloomberg)

European Banks Back PAL Rescue

Agence France-Presse

MANILA — A group of 17 European banks has endorsed a plan to revitalize the debt-ridden Philippine Airlines Inc., the carrier said Wednesday. The Associated Press reported from Tokyo.

The banks said that the plan, the latest in a series of efforts to keep the Philippine flag carrier in the air, "provides a viable basis for the continuing rehabilitation" of the airline.

The support of the British, French and German banks was crucial because they financed the acquisition of 12 wide-body Airbus planes that form the backbone of PAL's fleet, the airline said.

The banks' approval will allow continued operation of the planes and support expansion of domestic and international operations, the airline said.

PAL, the oldest airline in Asia, is hobbled by debts totaling \$2.2 billion. It went into receivership in June.

(AP, Bloomberg)

France Telecom: accelerating growth

1997	1998	1997	1998
153.67	161.7	Consolidated Revenues	23.42
37.81	58.6	EBITDA	8.81
26.7	28.0	Operating Income	4.07
14.9	15.1	Net Income	2.27

1997 revenues referred to 1996 financials, including the 1996

(2) EBITDA before the reorganization, reflecting actual acquisitions on the Company's early replacement plan. EBITDA, operating income + depreciation.

1998 was marked by further growth in telephone traffic and the rapid development of mobile phone, Internet and international activities in an increasingly competitive context. France Telecom has succeeded in consolidating its position, demonstrating both its determination and the soundness of its marketing policy. Internationally, France Telecom has extended its activities, particularly in Europe, and realized its first operational synergies with Deutsche Telekom. In 1999, France Telecom intends to maintain and develop its strategy for growth in high-potential areas like the Internet, mobile telecommunications, and international markets.

- France Telecom: the French "Net Company" with a leading position in Internet access
- Mobile telecommunications: targets for the year 2000 already reached in 1998
- Construction of a trans-European network with Deutsche Telekom is under way

France Telecom in touch with its shareholders

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The Proper Discipline in Dealing With 'Dogs'

If a Mutual Fund Begins to Turn In Subpar Returns, When Should an Investor Bail Out?

Washington Post Service

WASHINGTON—Nobody's perfect. Of the hundreds of stock and fund recommendations discussed in this column over the years, some have performed poorly — in fact, very poorly.

Lately I have been hearing from readers who have invested in such dogs, specifically in three funds: American Century Giftrust Investors, which has dropped an average of 5 percent annually for the past three years; First Financial, a closed-end fund trading on the New York Stock Exchange, which lost 40 percent in 1998; and O'Shaughnessy Cornerstone Value, which has dropped 2 percent in the past 12 months, a period in which the Standard & Poor's 500-stock index, a proxy for the U.S. market, gained 18 percent.

It's not so much that readers are angry about pouring their cash into these dismal investments (though some must be) but that they don't know whether they should sell.

The best general rule is the same as with stocks: You can't tell when to sell unless you know why you bought in the first place.

A mutual fund should fill a particular slot in your portfolio. Smart investors spread their holdings across different stock categories, reducing risk and often increasing overall returns.

If you decide to put 10 percent of your portfolio in foreign stocks and pick a single fund to handle the chore, then make sure you compare that fund's performance against a foreign index, not against the S&P.

One good reason to sell a fund is if it has consistently lagged behind its peers.

Another would be that the fund has altered its focus — for example, if you wanted a diversified foreign fund but the one you chose put all its assets into Asia.

Other good reasons to sell are when there is a change in managers, or when the fund becomes unwieldy.

But the final reason to sell is the hardest to judge: general deterioration. What if a manager simply loses his touch? What if his system for stock-picking flops after a string of successes? How can you tell if past performance was just lucky

and present performance will persist? Let's take a closer look at the worst of the three dogs, Giftrust. From 1991 to 1995, Giftrust beat the S&P each year by an average of 20 percentage points. But in 1996, it returned only 6 percent; in 1997, it fell 1 percent; in 1998, it dropped 13 percent, and, so far this year, it's down 9 percent.

What happened? Giftrust was started in 1983 with a great concept: Invest in small-capitalization growth stocks

that will have big ups and downs, but require shareholders to keep accounts for at least 10 years so that they won't bail out when the going gets tough. In fact, you can't invest in Giftrust yourself; you have to donate the shares to a relative or friend, who owns them in a trust.

But if you could sell, should you?

Look at the managers: The fund was already performing poorly when two new managers were brought in — John Seitzer in 1996 and Christopher Boyd in 1998. They may be suffering because the fund has become too big.

The fund tripled its assets from 1994 to 1996 — just when it took a nosedive. Small-cap stocks are not as liquid as large-caps, which means that it's tougher to find a buyer at your price when you

You can't tell when to sell a mutual fund unless you know why you bought it in the first place.

small-cap index has returned more than 5 percent, and the S&P 500 midcap index has returned more than 11 percent.

Taking a 10-year view, we find that the average small-cap fund has returned an annual average of 15 percent while Giftrust has returned 18 percent.

That puts the decline into a broader perspective, but it still doesn't resolve the big question: Should you hold on to the fund (assuming you have the choice) until it heads north — if it ever does?

Don't forget that, if the fund is held in a taxable trust, the tax bite can be substantial. And don't forget that Giftrust's category has shaped its destiny. If small-caps revive, so will the fund. My judgment: Hold, but keep a close eye on it for

six more months. If it does not beat the appropriate indexes, get out if you can.

The second fund, First Financial, has also suffered because of its sector. For many years, I considered it the best way to buy smaller financial stocks — regional banks, mortgage companies, savings and loans. From 1991 to 1997, First Financial was the best fund — of any sort — in America, returning an annual average of 51 percent, turning a \$10,000 investment into \$170,293.

Over the past 12 months, however, the fund has lost more than half its value. The trouble began last summer when the continuing Asian crisis was combined with the Russian default. Investors fled leaders whose customers lacked top credit ratings, dumping stocks such as Dynex Capital Inc. First Financial's third-largest holding at the time, Dynex, is a mortgage lender whose shares fell from \$12.50 to \$2.50 in 11 months.

The big problem was that the fund made a large bet on a particular kind of financial company, one that deals in mortgage loans. Such firms should turn around, but in the meantime, if your intention in buying First Financial was to participate more generally in the financial sector, you should dump the fund and look elsewhere.

The third laggard was O'Shaughnessy Cornerstone Value, a fund that follows a strategy developed by James O'Shaughnessy, the money manager and quantitative analyst who wrote "What Works on Wall Street," a 1996 book that examined dozens of methods for picking stocks.

One of the best methods, based on data going back to 1953, was Cornerstone Value's. It combined both growth and value techniques, selecting stocks that had consistently high returns in the past, along with high dividends.

But alas, the system worked badly in its first two years, trailing the S&P by 18 percentage points in 1997 and by 22 in 1998.

What's wrong? Maybe more time is needed to pronounce the strategies a failure, but clearly, what works in a computer run using historical data does not necessarily work in real life. Final judgment for Cornerstone: Give it one more year; then, thumbs down.

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New Look at Emerging Markets

Washington Post Service

David L. Babson & Co., in Cambridge, Massachusetts, is a careful money-management firm, and it is now telling clients to start moving slowly into emerging markets.

Angus Tulloch, who is responsible for the firm's investments in Asia outside Japan, says that "the worst may be over" in the region. Meanwhile, he says, Central European economies such as Poland's are on a path toward

convergence with Western Europe."

As for the Western Hemisphere, Barry Goldzak, who writes the Tukking Stock of Latin America newsletter, calls the area "the strongest growth story in the world." He favors blue chips such as Telecom Argentina, Tele Norte Celular in Brazil and Mexico-based Coca-Cola Femsa. Still, mutual funds are usually the best way for most investors to buy emerging markets.

— JAMES K. GLASSMAN

March 24, 1999

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INTERNATIONAL INVESTING

New Chief Has Work Cut Out as BHP Tries to Overcome Commodity Cycle

By Michael Richardson
International Herald Tribune

MELBOURNE — When Paul Anderson, the new chief executive of Broken Hill Pty. addressed shareholders at an extraordinary general meeting recently, he made a point of noting that four of the six members of his top management group have been with the company for less than four years.

Mr. Anderson, who himself was appointed managing director and chief executive of the poorly performing Australian mining, petroleum and steel conglomerate, made it clear he would be unsentimental about disposing of noncore assets and cutting costs to increase profits and reduce debt.

Since he took over, BHP has shut down a loss-making titanium mine in Western Australia, pulled out of freight shipping between Australia and New Zealand, and sold in Australian manganese business to British-based Billiton PLC for around 653 Australian dollars (\$416 million), and its power generation and transmission assets for 509 million dollars to Mr. Anderson's previous employer, Duke Energy Corp. of the United States.

The sales will enable BHP to cut its debt-to-equity ratio to around 49.5 percent, from 52.5 percent, the company said.

But the tasks of selling off further assets worth as much as 10 billion dollars — about 40 percent of the company's net asset value — over the next five years and making BHP globally competitive will be challenging, analysts said.

Mr. Anderson and his senior managers have to turn around a lumbering resources giant at a time when the prices of many of the things it sells, including copper, iron ore, steel, coal, oil and natural gas are depressed by global oversupply and sagging demand, particularly in Asia, where financial turmoil and recession have hobbled many economies that were formerly voracious consumers of these commodities.

Analysts say they expect BHP's third-quarter results to the end of February to show a sharp fall in profits when they are released on Friday; most are forecasting earnings of between 50 million and 100 million dollars, down from 158 million dollars before asset sales in the same quarter last year.

"BHP is hostage to the commodity cycle," said Andrew Hines, director of resources research in the Melbourne office of the ABN-AMRO financial-services group.

"The next two quarters are going to be shocking for earnings, and it is not hard to see that the start of financial year 2000 could be equally as bad."

He is forecasting that BHP will show only a

modest operating profit of 508 million dollars for the year to the end of May, down from 1.3 billion dollars on revenue of 24.7 billion dollars a year earlier.

That is at the low end of analysts' forecasts. But Mr. Anderson himself warned shareholders that he did not think there was "a full appreciation for the depth and duration of the current down cycle in commodity prices."

Still, analysts are generally impressed at the way Mr. Anderson, a former chief executive of Duke Energy, a global energy firm, has set about making BHP a more efficiently managed and profit-oriented company.

"There are no sacred cows now," said Richard Rossiter, associate director of research at Macquarie Equities Ltd. in Sydney. "Whatever adds the most value for shareholders, he'll do. The old management focused too much on 'big is better,' rather than profits."

Indeed, BHP was known for many years as "The Big Australian," as it used its dominant position in Australia's steel and resources industry to expand offshore and assemble a diverse portfolio of assets spanning North and South America, Asia, Britain and Africa.

Some of the ventures are now making good money for BHP. But others were disastrously bad investments, including the U.S. mining and smelting operations of Magma Copper Co., ac-

quired in 1996 for 2.4 billion dollars, and the Hartley platinum mine in Zimbabwe, which cost about 460 million dollars to bring on-line.

The previous management started reducing costs — BHP has raised 6.6 billion dollars in asset sales since 1995 — but results were not enough to prevent a major shake-up in 1998, when Mr. Anderson's predecessor, John Prescott, resigned in March and was followed by Jerry Ellis, at that time the BHP chairman, in August.

Both were forced to go under pressure from large investors over a series of management mistakes, declining profits and extended share price underperformance.

BHP's share price tumbled from around 16 dollars in March 1998 to 11 dollars in December.

Its share price has since rebounded a bit, and closed at 13.06 dollars, down 19 cents, in Sydney trading Wednesday.

From being Australia's biggest company by market capitalization in 1997, BHP has slipped to sixth place. In the year to May 1998, it wiped 3.05 billion dollars off the value of its assets, leaving an after-tax operating profit of 1.3 billion dollars into a 1.47 billion dollar loss — its first loss since 1923.

But Mr. Anderson is confident that BHP can be turned around. "We have the quality assets with the potential to provide shareholder value for

years to come," he said. "I firmly believe BHP has the raw material to emerge from the commodity cycle as a true winner."

Many analysts seem to agree with that assessment.

The fact that 36 percent of BHP's assets provides 83 percent of the earnings before interest and tax underpins the quest to reshape the company to deliver much better shareholder value," a recent report from Warburg Dillon Read Australia Equities Ltd. said.

Those high-performing assets include BHP's oil and natural gas interests in Bass Strait, off southeastern Australia, the North West Shelf gas fields and iron ore mines in Western Australia, coking coal mines in Queensland, the Escondida copper mine in Chile, and steel making in Australia, centered on Port Kembla in New South Wales.

Mr. Hines, of ABN-AMRO, said that he expected a slimmed-down BHP to be much more like Rio Tinto PLC, widely regarded as one of the most efficient mining companies in the world.

BHP's return on capital after tax in 1998 was 7.9 percent, compared with 13.5 percent for Rio Tinto.

"The heart of BHP is minerals, not petroleum or steel," Mr. Hines said. "I think in five years' time, BHP will look a lot more like Rio Tinto, and perform accordingly."

Inflow of Funds Slows in China

Reuters

BEIJING — China's actual foreign direct investment fell 9.54 percent from a year earlier to \$4.21 billion in January and February, the Foreign Trade Ministry said Wednesday.

Contracted foreign investment — an indicator of future trends — rose 17.5 percent to \$5.51 billion, in the same two months, the ministry reported.

Despite the rise in pledged investment, actual inflows this year could fall substantially from the \$45.6 billion registered last year because of slower growth and reduced profit margins, a ministry economist said.

Investment stalled last year as the Asian economic crisis hit China's principal investors.

Very briefly:

• Dai-Ichi Kangyo Bank Ltd. and J. P. Morgan & Co. signed an agreement to establish a Japanese mutual-fund unit in May.

The new company will be capitalized at 3 billion yen (\$25.4 million), with both banks taking an equal stake. They announced last October an exclusive agreement to work together in the development, marketing and sales of mutual funds.

• The World Bank issued a report calling on the Philippines to set up a bankruptcy court or a debt-resolution committee to deal with a backlog of insolvency cases. "It is clear that the system for addressing corporate insolvency needs a major overhaul," said the report.

• Tradepoint Financial Networks PLC, the first British electronic stock-dealing system to operate in the United States, hopes to capture the lion's share of U.S. funds trading in British shares by offering fees about a quarter those charged by brokerage houses. The company said it intended to enlist all of the approximately 100 U.S. funds that deal in British shares.

• The U.S. Securities and Exchange Commission proposed rules allowing Canadians living in the United States to buy and sell Canadian securities for their retirement accounts without registering them in the United States.

• An Indian government-appointed panel offered a three-year plan to review the country's largest mutual fund, state-controlled Unit Trust of India, through improved efficiency, fresh capital and better disclosure. *Reuters, AP, AFP, Bloomberg*

Treasure of San Miguel: A Firm Awash in Cash

By Dominic G. Diongson
Bloomberg News

MANILA — Since taking control of San Miguel Corp. last July, Eduardo Cojuangco ruled by the maxim that cash is king.

Now investors are betting that the Philippines' biggest brewer and food maker, the second-best performer on the benchmark index in the last year, will gain further as its chairman looks for acquisitions with as much as \$2.4 billion at his disposal.

Mr. Cojuangco, a former business partner of the deposed dictator Ferdinand Marcos, has yet to tip his hand, but few believe he will be content to simply sit out the Philippine recession with assets at bargain-basement prices. While other Philippine companies are wobbling under mountains of debt, San Miguel has never looked stronger.

"It's the best company to be invested in right now," said Marvin Fausto, chief investment officer for PCIB Trust Division, which has 26 billion pesos (\$671.5 million) under management and owns San Miguel stock. "They're the best in terms of balance sheet."

In his first six weeks as chairman, Mr. Cojuangco sold some of the company's prized assets and cut costs, building a cash pile of 54 billion pesos and trimming debt. He has suggested a sale of assets valued at a further \$1 billion.

The strategy worked quickly. San Miguel earned 1.1 billion pesos from interest alone in the final quarter of last year.

San Miguel's Class A stock, which only Filipinos can own, rose 23 percent in the past year — second only to Manila Electric Co., the Philippines' largest power distrib-

utor. By comparison, RFM Corp., its closest competitor in the food and beverage business, fell 27 percent.

Further gains will depend on whether Mr. Cojuangco can find new avenues of growth with his hoard of pesos.

While San Miguel earned as much as 16 percent return from bank deposits last quarter, declining interest rates will reduce those profits, and there may be a limit to growth without acquisitions. San Miguel last year had 84 percent of the Philippine beer market, up from 82 percent in 1997. The liquor subsidiary La Tondena Distillers Inc. has a 50 percent share of the liquor market with the best-selling gin, Ginebra San Miguel.

"The question I have is what they are going to do with the cash," said Leopoldo Clemente, chief investment officer of New York-based Clemente Capital Inc.

Last year's sales of stakes in Coca-Cola Bottlers PLC and Nestle Philippines Inc. raised \$1.2 billion for San Miguel to invest in new businesses.

Mr. Cojuangco has also indicated he is willing to sell the company's 22 percent stake in the Australian bottler Coca-Cola Amatil Ltd., which would raise a further \$1 billion, based on the Wednesday price of 7.175 Australian dollars (\$4.57) a share.

At a briefing last month on 1998 results, the chief financial officer, Albert de Larrazabal, said the company would use some of that money to make acquisitions or start new ventures.

Philippine newspapers have reported that San Miguel was preparing takeover bids for a host of companies, including Philippine Long Distance Telephone Co.

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Class A	1.38	114 MERRILL LYNCH	CHF	114 MERRILL LYNCH	CHF
Class B	1.38	114 MERRILL LYNCH	CHF	114 MERRILL LYNCH	CHF
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GLOBETROTTING 101: BUSINESS IN THE INTERNATIONAL AREA

A solid education in international business means getting to know the world. Schools in Britain mix a multicultural environment with strong curricula.

As business goes global, business students are finding that their career opportunities can be enhanced by attending a school or university with an international student body. Britain's schools combine the advantage of a location in the heart of the English-speaking world with the rewards of studying in a multicultural environment.

Templeton College and the new Said Business School at Oxford University, along with the London Business School, are just three examples of institutions where this trend is being encouraged. Richmond, the American International University in London, offers its students an MBA that stresses the importance of being able to interact sensitively and mean-

ingly in an international context. All aspects of learning, from teaching to socializing and residential accommodations, seek to develop these attributes through exposure to a student body drawn from more than 100 countries.

The combination of academics and multicultural experience is proving to be an important factor in the business world. "The MBA is no longer the golden key that unlocks corporate doors," says Christoph Leibrecht, director of admissions at Schiller International University in London. "You need an MBA and something else." That might, he adds, "mean choosing an MBA program that provides a global perspective, an extra dimension that is so crucial to commerce."

Schiller's MBA program at its London campus draws many students from around the world who are interested in international banking and who benefit from cultural interaction with their peers. In addition, the university, which also has campuses in Madrid, Paris, Strasbourg, Heidelberg, and Leysin, Switzerland, gives students the opportunity to study for their degrees in other locations in Europe without transferring credits.

This combination of factors enables students to ap-

preciate the different ways of doing business in different countries. In France, Mr. Leibrecht notes, "there are endless lunches and dinners, but you don't talk about business. In the United States, the purpose of having a dinner is to talk about business." Exposure to such a diverse student body, he adds, also better prepares them to cope with a changing business environment.

At the University of Bath in southwest England, 50 percent of the full-time MBA students are from outside Britain. Officials of the School of Management say students are attracted by the close contact, interactive approach to teaching and the diversity and maturity of the participants, who are required to have worked for at least three years at a

recent students have included a CBS-TV news producer who had been a war correspondent in the Gulf and Balkan states, a humanitarian aid worker with a Norwegian charity, a professor of pediatrics from South Africa and two business editors from Zambia and Taiwan, as well as the Finnish air force's head of logistics.

"Doing a case study in a group with people from five or six different countries, you learn so much about international business practice and culture," notes Dirk Radetzki, an electrical engineer from Germany and a recent graduate of the program. "For example, how to package and market cornflakes in Papua New Guinea is not the sort of thing you would pick up from standard marketing text-

books." Yet for someone looking for a career in international marketing, such information can be invaluable, he adds.

Henley Management College, in Henley-on-Thames, Oxfordshire, is taking advantage of its international student body to help in its recruitment program. This year, former students are signing up to act as "Henley Ambassadors" in their home countries, taking part in educational fairs and speaking to the media as well as providing advice and guidance to prospective participants.

The college is also seeking to expand its networking on a global scale by helping some alumni associations in various countries set up their own Web sites and network with each other. ●

ON-LINE RESOURCES

The International Baccalaureate Organization, Geneva
<http://www.ibo.org>

A chartered foundation recognized by the Council of Europe that supervises the internationally recognized baccalaureate degree and whose members include about 800 schools in almost 100 countries.

Regent's College, London
<http://www.regents.ac.uk>

The umbrella Web site for the college in Regent's Park, whose campus includes the British American College London, the European Business School London and others.

The Said Business School, Oxford
<http://www.sbs.ox.ac.uk>

Graduates of the Said Business School receive both an MBA and the prestigious Oxford University label.

Templeton College, Oxford
<http://www.templeton.ox.ac.uk>

A site of special interest to those seeking the best executive education and tailored programs for corporations in Britain.

The International Center for Distance Learning, Milton Keynes
<http://www.icdl.open.ac.uk>

Those seeking specialist degrees in this rapidly growing field can find out what is available here.



THERE IS IN LONDON ALL THAT LEARNING CAN AFFORD

Schools in the capital provide choices for international students looking for flexible, internationally accredited learning programs.

The demand for international schools continues to grow in Britain, particularly in London and the surrounding areas. More and more executives, diplomats, academics and other professionals posted to the capital want to ensure that their children are educated in a way that will enable them to continue their studies once they are back home.

Richmond, the American International University in London, offers both British and American accreditation to students studying for degrees in 17 subject areas. Those who enter with qualifications beyond high school graduation — such as the

British A-levels, the German Abitur or the International Baccalaureate — may be awarded credit toward a Bachelor's degree.

The TASIS England American School, located in Thorpe, Surrey, not far from London, offers an American college preparatory program for pupils between the ages of four and 18. They attend either a day or boarding basis. This year, some 750 pupils

are enrolled, 75 percent of whom are from the United States. The school is accredited by the New England Association of Schools and Colleges in the United States and by the European Council of International Schools.

Pupils at TASIS can apply for Advanced Placement (AP) courses in subjects ranging from biology and calculus to English literature, statistics and U.S. history.

They are examined independently by the Princeton-based AP Board, which also supervises the Scholastic Aptitude Test (SAT), used for entry qualification by many

American universities. If the exam results are successful, the pupil qualifies for university credits at American institutions, thereby reducing the time needed to complete

an American degree program.

AP test results are also accepted by most British universities as equivalent to their A-levels. ●

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ACADEMIC GLOBALIZATION SPREADS TO THE NORTH

The idea of the multinational university is flourishing in the Nordic region.

The Nordic countries' business schools and other institutions of higher learning are becoming increasingly international in their student bodies and programs. Between 50 percent and 60 percent of the students at the Norwegian School of Management and the Copenhagen Business School are foreign-exchange students. More than one-third of the students at the Stockholm School of Economics complete their third or fourth year in another country, while a corresponding number of foreign students study at SSE. In 1996, SSE launched its International Graduate School to further attract foreign students.

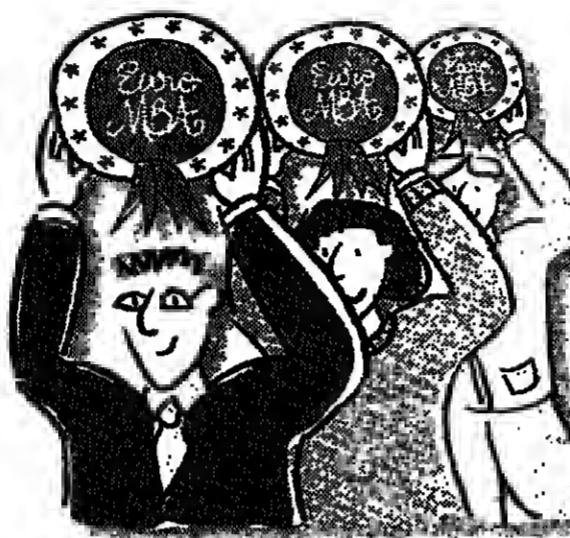
Many business schools in Scandinavia offer MBAs or Masters of Science programs entirely in English. National policies for internationalization, with generous financial incentives, support this global educational exchange.

Turning tide.
It wasn't always this way. In the first half of the 1980s, the region's leading institutions

of higher education were still fairly isolated from the rest of Europe. Today, there has been a sea change in the way that governments and institutions in Norway, Denmark, Sweden and Finland approach higher education. Student and staff exchanges are not an end in themselves; rather, the main objectives are to prepare students for operating successfully in an increasingly international society and workplace and to improve the quality and

These small, isolated countries are actively encouraging the global boom

effectiveness of education as well as diversify its supply. As small, geographically isolated countries, Sweden, Norway, Denmark and Finland have encouraged the global boom in higher education. In Denmark, where international student mobility was barely visible on a major scale until a decade ago, internationalization has become the chief priority of the Danish Ministry of Education.



Management of Finance. The latter two courses were added to the program in 1998. In addition, there is an international Bachelor of Science degree taught solely in English.

"In general, business education all over the world is becoming more international," says Robin Jensen, director of the international office for the Copenhagen Business School. "If we don't prepare our students for an international working environment, we're not doing our job."

Of the school's 11 programs at the master's level, four are taught solely in English: International Business, International Marketing and Management, Management of Technology and

Management, founded in 1943, is the one of the largest full-scope "business universities" in Europe, with 17,000 students. The school offers nine English-language MBA, M.S. and Ph.D. programs. Areas of specialization include financial economics, energy management, marketing, international business and strategy. They reflect the distinctive competencies and long-term interests of the school's international faculty, says Mike Hall, director of studies for graduate programs.

"One of the strengths of our MBA program is its diversity," he says. "Sixty percent of the students are non-Norwegian, and the average age is 33. The current class of 35 students represents 18 nationalities. The students come from all professional walks of life. Our teachers are trained to encourage an interactive setting. It is this kind of diversity that enhances the learning process."

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The International Graduate Program is a full time three semester program leading to a Master of Science degree in International Economics and Business. All courses are taught in English, and more than 20 different nationalities are represented in the student body.

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Tel.: +46 8 736 9520 / fax: +46 8 31 99 27
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A vital and increasingly natural part of the Stockholm School of Economics' strategy is its international focus. Its close ties with Swedish multinational organizations provide insight into the multifaceted challenges of global business and ensure an internationally oriented curriculum. Over 100 companies participate in the SSE's Corporate Partnership Program, providing financial support and sharing their experiences with researchers and students.

Multinational input
In 1996, the SSE launched its International Graduate Program, a three-semester program leading to a Master of Science degree in International Economics and Business. Each year, around 20 students are admitted to the program. The objective is to attract foreign students to conduct their graduate studies at SSE. The program is a valuable test of the school's competitiveness on the international education market, says David Ohman, director of the school's Institute of International Education.

"We believe that we are competitive on a global scale in the areas of international business and finance, the economics and business of Europe, and the economics and business of East Asia," says Mr. Ohman. "The best evidence of our success is that the top students from SSE go directly to work abroad after graduation."

NORDIC SCHOOLS CONTRIBUTE TOWARD A EUROPEAN MBA

In a borderless Europe, a business degree that can travel has added clout.

The CEMS (Community of European Management Schools) master's degree was created in 1988 to serve as a standard for excellence in European management education.

Sixteen of Europe's most highly regarded management schools have joined with 50 international companies to shape Europe's management education by defining a European curriculum. Since the first CEMS degree was awarded, more than 1,000 graduates have successfully taken their place in the business community, bringing management skills and an international outlook to European corporations.

A decisive factor for the future of higher education in Europe, and indeed globally, is the recognition of foreign diplomas. The CEMS master's degree goes a long way toward internationalizing academic and professional recognition.

The Stockholm School of Economics, the Copenhagen Business School, the Norwegian School of Economics and Business Administration and, since this year, the Helsinki School of Economics and Business Administration are among the partner institutions of CEMS. Students, educational institutions and businesses can all profit from a European degree. The CEMS program is exclusive; only one school per country is selected. Students are selected for the degree from each CEMS school on the basis of their academic records, linguistic abilities and international potential. They must fulfill a set of rigorous requirements for the CEMS master's within the context of the regular four- or five-year program of their own institutions.

During the first three years as undergraduates at their school, candidates study the fundamental areas of economics and management. At the graduate level, they take advanced courses dealing with European and international issues. The CEMS master's offers student international experience through a three-month internship spent working for a foreign company and a semester studying at another school in the CEMS network. In addition, fluency in three languages must be demonstrated.

"Everything about the CEMS master's equips its graduates with the potential to make their mark on international business," says Nicole de Fontaines, executive director of CEMS. "Recently, we added a course in which students perform project-based work with a multicultural team at one of the member companies."

Today, says Ms. de Fontaines: "Companies

want to get the best people, and nationality is not that important. They want to internationalize their companies. But how do they determine which are the best schools in each country and the difference between a French business degree and a Swedish business degree? The CEMS master's solves that problem. Companies can recruit from any country and know that they are guaranteed the same standard of excellence."

The profile of a CEMS graduate, she adds, "corresponds exactly to the company's expectations. They need people with multicultural expertise who also demonstrate great skill and aptitude in the traditional areas of business management. It is very costly for companies to recruit abroad. We help them by giving them guarantees."

Outward bound
Of the more than 1,000 people who have graduated with a CEMS master's, an increasing number choose to work outside their home countries after graduation. In 1997, 38 percent of those who graduated chose jobs abroad.

Maria Persson graduated from the Stockholm School of Economics with a CEMS master's and is now a business manager at Universum, an international media and competence-relations company based in Stockholm. According to Ms. Persson, students who pursue a CEMS master's often fall into two categories: those with a decided interest in working abroad and those who think the degree provides a high profile, no matter where they choose to work.

"Although I'm Swedish and I'm working for a Swedish company," she says, "my colleagues have many different nationalities and backgrounds, and we have clients from all over the world. Our company language is English, and I use my experiences from courses in cultural communications, etc., almost every day."

Increased flexibility
Ms. Persson says that the CEMS degree will help her if she chooses to look for employment abroad in the future. "I think we are only seeing the beginning of people's having flexible careers where they switch both jobs and countries during their working lives. With free movement of labor in Europe and an increasingly mobile workforce, I think it's important to recognize foreign diplomas."

As Ms. de Fontaines points out, what CEMS offers is more than a diploma. "We are educating people to become leaders," she says. ●



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SPORTS

THURSDAY, MARCH 25, 1999

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WORLD ROUNDUP

Hingis Advances

TENNIS Martina Hingis of Switzerland, the No. 1 women's player, made easy work of Barbara Schett of Austria on Wednesday, defeating her, 6-1, 6-1, in the quarterfinals of the Lipson Championships in Key Biscayne, Florida.

On Tuesday, Pete Sampras, who had just reclaimed his No. 1 men's ranking, was defeated by Richard Krajicek, 6-2, 7-6 (8-6), in the men's quarterfinals.

In women's play on Tuesday, Serena and Venus Williams moved a step closer to meeting in the final. Both advanced to the quarterfinals. Serena beat Monica Seles, 6-2, 6-3, and Venus edged Anke Huber, 6-3, 3-7, 7-6 (7-4). (AP)

Ripken Goes to Ill Father

BASEBALL Cal Ripken of the Baltimore Orioles left spring training to return to his parents' Maryland home, where his father, Cal Ripken Sr., 63, is gravely ill with lung cancer. (WP)

Pakistan Crushes India

CRICKET Pakistan beat India by 143 runs Tuesday in Jaipur, India, in the Asian limited-overs tournament. Pakistan scored 278 for nine wickets in 50 overs before bowling out India for 135 runs. (AP)

Doubt Over FIFA Probe

SOCCER Lars-Aake Lagrell, president of the Swedish soccer federation, said Wednesday that Lennart Johansson, a Swede, would not call for an investigation into bribery allegations made against Sepp Blaauw, the head of world soccer's governing body, unless more evidence came to light.

Reports suggested that Johansson, who lost to Blaauw in the election for the FIFA presidency last year, would seek a probe into claims about the voting in "How They Stole the Game," a book by David Yallow, a British writer.

"The book is based on old rumors that we had heard already before last year's elections," Lagrell said.

Three Hong Kong soccer players were jailed Wednesday for their part in a betting scam to fix a World Cup qualifying match against Thailand. Kevin Lok Kar-win, Chan Chi-keung and Wai Kwan-lung were each sentenced to 22 months in jail and fined 30,000 Hong Kong dollars (\$5,870). (AP)

4 Sacks and the Sack

BASEBALL After finishing his work installing pipes for beer at the Seattle Mariners' new stadium, Safeco Field, the plumber Nolan West indulged his fantasy.

He had a friend videotape him hitting a ball and racing around the bases. Then, he dropped off the video at a television station, which put it on the air. His employer was not amused, and West was fired.

"Running around all those bases made it worth it," West said. (LAT)



Inset: AP Wirephoto
Michelle Kwan competing Wednesday in the women's qualifying free-skate in the World Figure Skating Championships in Helsinki.

Stojko Is Revolutionary No Longer

He Pioneered Explosive Skating Style, but Younger Men Now Jump More

By Christopher Clarey
International Herald Tribune

HELSINKI — The revolution concerning revolutions is over, and now Elvis Stojko, like many a successful former militiaman, is struggling to cling to power. The quadriple jumps in combination and technical leaps that made him a champion have become common currency among the elite in men's figure skating.

Younger men, younger Russians in particular, are hovering and spinning over the ice as long as Stojko ever did. There is Yevgeni Plushenko, all of 16, who took the lead at the world championships here Tuesday with a fine and clean short program. There is the defending world champion Aleksei Yagudin, all of 19, who is in second and already something that Stojko never had been: a finely and precociously calibrated blend of explosiveness and artistry.

Stojko, 27, and still committed to skating to his own drummer, might disagree with that. The Canadian won three world championships by sticking to his own vision of his subjective sport. Heading into the decisive free skate Thursday night, he is third in this one. His skating has been uncompromisingly different since he, too, emerged as a teenager — his taste for the martial and the clipped, muscular gesture setting him starkly apart from competitors schooled in the more conventional graces.

Philippe Candeloro of France, another iconoclast who won multiple Olympic medals, once called Stojko's style "un pantage de trai met," which translates as "real guy's skating." That style was there for the judges to score again Tuesday in the short program: a staccato African beat providing Stojko with a rhythm by which to consolidate a comeback.

It is not a conventional one: there was no long break from the sport followed by a return. But there was a rupture. It came several weeks before the 1998 Winter Olympics when he tore a tendon in his groin. He was the reigning world champion

then, and despite the new wave of Russians, the Olympic favorite.

He kept his injury private until he arrived in Nagano, but when he finished the free skate that would prove only good enough for the silver medal, he was in visible agony on the ice.

There would be hundreds of thousands

of messages by fax and electronic mail and (yes, it still happens) by letter. But there would be no return and no decision to abandon Olympic eligibility for the less technically demanding life of a touring professional. But then, isn't technique and competitive drive what has helped Stojko to become a star?

"I wanted to make sure I had my priorities and reasons why I wanted to compete straight," he said. "If I had come back for the money or for the win, that wouldn't be where my motivation would come from. That wouldn't keep me going, because I needed something stronger to get me through this injury and get me here to worlds. I had to do a lot of soul-searching."

"Once you take away the money and the fame, what's left?" he continued. "Why do you go out there? You have to look back at when you started skating. Why do kids start? They are interested, and they love to do it."

Stojko elected to continue without undergoing an operation on his tendon. "Some have had it severed surgically," he said, "but that costs you about 20 percent of power, and I couldn't do what I do without that 20 percent."

"I did have quite a tough time mentally after the Olympics," he said. "Everyone said, 'The injury is going to take him out, and he'll never be able to come back.' I talked to hockey players. Different hockey players' careers have ended because of it, so how does that play on your mind? You're dealing with all these things."

The injury forced changes in his practice routine, and Stojko has had to learn to deal with defeat on a regular basis, finishing fourth in Skate America in his opening competition after missing a quadriple.

second in Skate Canada and third in the Four Continents event. Though he qualified for the Grand Prix final in St. Petersburg, Stojko withdrew, preparing to husband his strength for the one event that could save his season.

"This season has been the toughest I've ever encountered by tenfold," said Stojko, who is — he insists — finally healthy. "The competition at the Olympics was the most difficult competition, but this season has been the most difficult. I've set out for myself some very big expectations, trying to prove to myself that my leg will heal 100 percent while I compete. That was the choice I made. I wanted to be ready for this competition, and you have to go above and beyond, you have to go the extra five miles, take the time to rest and take the treatment and focus."

This is how Stojko talks: in platitudes but with a tone and earnestness implying great conviction. That conviction — call it stubborness if you prefer — has helped make this son of Hungarian and Slovenian immigrants both wealthy and immensely popular. The Canadian and foreign reporters crowded around him again Tuesday night, but shortly after the game of questions and answers began, the lights in the interview room went out and all was dark except for the red lights of the tape recorders.

"I'm here; I'm still here," Stojko said reassuringly.

That is true, but when the quads and high scores start to fly around Hartwall Arena on Thursday, it would still be an upset if he were to walk away with another gold.

In the qualifying round for women's singles, which count for 20 percent of the final score, Michelle Kwan of the United States and Maria Butyrskaya of Russia each finished first in their groups, but they did it in radically different style.

Despite being under treatment with antibiotics, Kwan, the reigning world champion, skated smoothly and performed six triples without a major hitch. Butyrskaya went crashing to the ice after a botched triple lachow.

Europe's Final 4, and a Player Who Has Seen Both

By Frank Lawlor
Special to the Herald Tribune

do-or-die."

After beating Real Madrid, 90-63, on Tuesday, Karisovas and Teamsystem Bologna stood a victory away from the Final Four.

Earlier this month, Bologna shocked the EuroLeague by wiping out Panathinaikos of Greece, which had amassed one of the best records ever, 15-1, in Europe's top competition. On Sunday, Teamsystem took the Italian League lead by beating seasonlong leader Varese in the final game before the playoffs.

So the pressure must be off by now?

"No," Karisovas said. "There are more expectations now. The fans and the organizations are happy we did this. But everyone is hungry for the Final Four."

That comes next month in Munich — in the same sudden-death format as the NCAA Final Four — but first the European pros must survive three-game quarterfinals.

Karisovas has rooting interests in all four pairings. His last club, Olympiakos of Greece, beat Villeurbanne of France, 70-57, on Tuesday. His crosstown rival, Kinder Bologna, the defending champion,

was upset, 67-59, by Pau Orthez of France. Zalgiris of Kaunas, where most of his teammates from the Lithuanian national team play, survived a 69-68 first-game scare from Efes Pilsen of Turkey.

"I would love to play Zalgiris in the Final Four," Karisovas said. "It'll be a very difficult task, for them and for us, but it would be very big for Lithuanian basketball if they make it in their first year back in the league."

The second quarterfinal games are Thursday, with Teamsystem playing in Madrid, which Karisovas knows well from his seasons at Barcelona. Karisovas lost consecutive EuroLeague finals with Barcelona, in 1996 and 1997.

The upset victory over Panathinaikos excised the first of those ghosts. Karisovas led an 11-point comeback in the last two minutes of the 1996 final against Panathinaikos, only to see a teammate's game-winning layup swatted away by a spectacular, if technically illegal, block. The whistle never sounded, and the play stands as testimony to the importance of good timing in these tournaments.

"Just like in the NCAAs, the purpose

is to peak at the perfect moment," Karisovas said. "That's what we probably accomplished against Panathinaikos. They were going so well in the beginning and middle of the season, but we got them on the downside by playing our best basketball of the season."

Karisovas, whose laurels include a European all-star game MVP award and 29 points for Lithuania in its World Championships victory over the United States last summer, is a prime example of the jittery impatience at many European clubs. After losing two EuroLeague finals, he and Barcelona parted ways. Olympiakos, one of the teams that beat Barcelona, hired him last year, but when it failed to win the championship, he was allowed to leave for Teamsystem. He has ping-ponged through four countries in six seasons.

"Every team wants the results now," he says. "If you don't do it, there are no excuses. It makes it harder, sure, but if you don't overcome that pressure, you're out of a job. That's how reputations are made, playing under pressure. There are no rights off. Believe me."

2 Belgrade Games Are Rescheduled

Reuters

GENEVA — Two qualifying matches for the European soccer championship due to be played in Belgrade were postponed Wednesday because of the crisis in Kosovo.

The game between Yugoslavia and Croatia scheduled for Saturday will be played Aug. 18, and the game between Yugoslavia and Macedonia scheduled for next Wednesday will be played Sept. 4.

"The decision has been taken in view of the unstable political situation in Yugoslavia," UEFA, the governing body of European soccer, said.

NATO air strikes against military targets in Yugoslavia began Wednesday night.

UEFA said the match between Macedonia and Ireland, due to be played Saturday in Skopje, Macedonia, would also be postponed, but no new date was announced.

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SPORTS

Jazz Beat Heat By Playing Clean

The Associated Press

The Miami Heat were in a foul mood, and not just because Bryan Russell's shot beat them.

Russell hit a 3-pointer with 4.7 seconds left, and the Utah Jazz rallied past the Heat, 94-81, on Tuesday night in a matchup of two of the NBA's best and most physical teams.

Even though they took a pounding, the Heat took only six foul shots, making three. The host Jazz made 21 of 25 free throws.

"No, I won't. End of story," said Pat Riley, the Heat's coach, when asked whether he would comment on the discrepancy.

The Jazz overcame an eight-point deficit in the fourth quarter and won for the 24th time in 25 games at the Delta Center in Salt Lake City. Russell called it Utah's most physical game of the year "by far."

"We had to buckle down and say, 'Hey, we're not going to lose to a team we only see

once a year unless it's in the finals,'" he said. "You've got to fight fire with fire, and they're one of the toughest teams in the league. It was physical, but it was clean, and that's fun."

Karl Malone had 23 points and 15 rebounds for Utah. The Heat faded in the final moments, scoring just three points in the last 4:12.

Tim Hardaway had 30 points for Miami but missed two shots and had a turnover in the last 90 seconds. Utah has beaten Miami in seven of their last eight meetings.

Raptors 113, Hawks 90. Dee Brown made seven 3-point shots as Toronto won in Chicago for the first time ever. Brown scored a season-high 25 points and Vince Carter had 23 points and 11 rebounds for the Raptors, who had been 0-6 at Chicago. The Hawks shot just 2-for-20 in the first quarter and fell behind 31-9 after the first period.

Spurs 112, Nuggets 82. David Robinson, held to 10 points or less in his three previous games, scored 17 and Tim Duncan had 19 for San Ant-



Clarence Weatherspoon, right, a Miami Heat forward, fouling Karl Malone, the Utah Jazz forward.

onio. Nick Van Exel led visiting Denver with 18 points. Cavaliers 113, Celtics 96. Shawn Kemp scored 17

points and led a 10-0 burst in the third quarter that broke open the game as Cleveland beat visiting Boston.

Red Wings Trade for Experience

The Associated Press

The Detroit Red Wings apparently did not believe they had enough to win a third straight Stanley Cup.

On a record day of dealing that included 21 trades, 22 teams, 30 players and 21 draft picks, the Red Wings were the busiest, adding 59 years of experience to their roster Tuesday.

The Red Wings, with a mediocre 34-30-6 record, added Chris Chelios, a star defenseman, from Chicago, and Ulf Samuelsson, a veteran defenseman, from the New York Rangers. From Tampa Bay, they added Wendel Clark, a tough veteran wing, and Bill Ranford, a backup goalie.

"When you get a chance to acquire a player like Chris Chelios, you get pretty excited," said Ken Holland, the Red Wings general manager. "He's one of the premier defensemen in the National Hockey League."

He is also 37. Chelios has won three Norris Trophies as the league's top defenseman in a 16-year career.

The rugged Samuelsson won two Stanley Cups in Pittsburgh early in the decade. He's currently out for 2-3 weeks with a broken foot, and was obtained for a 1999 second-round pick and a third-round selection in 2000.

Detroit already is without defensemen Todd Gill and Uwe Krupp. Samuelsson

will be an unrestricted free agent after this season.

Clark, 32, is in his 14th season. He was the Lightning's leading scorer with 28 goals and 14 assists in 65 games.

Ranford, who was the MVP of the 1990 playoffs for helping Edmonton win the Stanley Cup, appeared in 32 games for the Lightning and compiled a 3-18-3 record in his 14th NHL season.

For Chelios, the Blackhawks received defenseman Anders Eriksson and first-round draft picks in 1999 and 2001. Chicago lost 5-2 at Pittsburgh hours after the deal. Detroit traded backup goalie Kevin Hodson, 27, and two draft picks for Clark and Ranford.

Roughed-Up Stars Rough Up Coyotes

The Associated Press

PHOENIX — In a rugged, fast-moving game, Dallas hit harder and moved quicker than Phoenix.

Brett Hull, Jere Lehtinen and Joe Nieuwendyk gave the Stars a 3-lead

NHL ROUNDUP

early in the third period, and they held on for a 3-2 victory over the Coyotes on Tuesday night.

Hull scored unassisted midway through a five-minute power play that the Coyotes' Jeremy Roenick brought on with an elbow that sent Dallas' Mike

Modano to the ice with a cut left eyebrow. Besides a major boarding penalty, Roenick drew a minor misconduct.

"We were having our way with them until Jeremy was given the five-minute major, which is a call I disagreed with," said Phoenix coach Jim Schoenfeld.

Ed Belfour had 26 saves to tie New Jersey's Martin Brodeur for the NHL lead with 32 victories and help Dallas hold an opponent to three goals or fewer in its 26th consecutive road game.

The Coyotes stormed the Dallas net several times as the seconds ticked down, but they could not keep alive their five-game unbeaten streak.

The Stars all but wrapped up the Pacific Division title, reaching 100 points for the third straight year.

Penguins 5, Blackhawks 2. In Pittsburgh, the Penguins took care of Chicago early. The Blackhawks, playing just hours after captain Chris Chelios was traded to Detroit in a deadline deal, fell behind, 5-0, halfway through the game.

Jaromir Jagr scored a goal and assisted on two others to raise his NHL-leading point total to 110.

Devils 1, Sabres 1. Miroslav Satan scored on a backhander from in close with 3:37 to play to give Buffalo a tie in New Jersey.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

TURKEY RESULT

Toms 4, Toros 3. Cleveland 15, Houston 5. Cincinnati 13, Minnesota 2. Bettman 7, Montreal 3. Kansas City 6, Philadelphia 2. New York Mets 3, Atlanta 2. 18 innings Atlanta (won) 14, Anaheim 6. Detroit 10, Atlanta 9. Chicago White Sox (lost) 9, San Francisco 5. Milwaukee 12, Tampa Bay 3. New York Yankees 9, Philadelphia 2. Atlanta 5, Chicago White Sox 4.

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

W L Pct

Atlanta 18 9 .667

Cleveland 18 9 .667

Philadelphia 14 11 .563

New York 15 12 .556

Washington 10 15 .400

Boston 8 16 .333

New Jersey 6 20 .300

Central 18 7 .720

Milwaukee 15 10 .463

Atlanta 15 11 .563

Cleveland 14 12 .563

Philadelphia 14 12 .563

New York 15 12 .556

Washington 10 15 .400

Boston 8 16 .333

New Jersey 6 20 .300

WESTERN CONFERENCE

MIDWEST DIVISION

W L Pct

Chicago 20 6 .700

Minnesota 17 5 .571

St. Louis 17 5 .571

Seattle 17 5 .571

Denver 14 12 .563

Phoenix 12 13 .481

San Antonio 12 13 .481

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San Antonio

ART BUCHWALD

Make 'em Laugh

NEW YORK — The official arrival of spring in Washington is not when the cherry blossoms bloom, but when the Gridiron Club holds its annual roast of the Washington establishment. Five or six hundred of the nation's elite newspaper people and leaders put on white ties and fancy dresses and gather in a hotel ballroom to preen and laugh at the things they are supposed to take seriously for the rest of the year.

I have never been a member of the Gridiron Club, though I will fight to the death for their right to be funny (and have almost been killed doing so).

My role has been to occasionally help the featured speakers with their talk. The program calls for one sparkly Democrat, one sparkly Republican and the president of the United States.

The speeches are usually joint efforts, with five or six writers sitting around a room like those who create monologues for Jay Leno or David Letterman.

I was drafted once by Jack



Valenti to work on President Lyndon B. Johnson's talk. It was his first appearance in front of the Gridiron as president, having just succeeded John F. Kennedy.

Johnson told Valenti he wanted to be funny, but we all went to work. I don't remember the gags — Pierre Salinger was the butt of some, Robert Novak, too, and possibly Bobby Kennedy was also a target.

The big night finally came, and all the writers, in white tie and tails, waited nervously to see how the president did.

Johnson never saw the humor in the Gridiron skits, and as the evening progressed he got madder and madder.

When it was his turn to get up, all he said was something like, "I want to thank you for this lovely evening. Good night." He sat down.

My heart sank as I realized two weeks of work had gone down the White House garbage disposal unit.

The end of the story is that a couple of weeks later I was introduced to the president and he said, "Art, I can't thank you enough for all the fine work you did on my Gridiron speech."

Peru Mummy Goes to Japan

Reuters

IMA — Juanita, the frozen mummy of a child sacrificed 500 years ago to the Inca gods, has left Peru for a 14-month exhibition tour of Japan, the government's national cultural institute said.

The "ice maiden," which archaeologists discovered in 1995 on a snow-covered mountain near the southern Peruvian city of Arequipa, will tour 11 Japanese cities starting in Tokyo on April 10, the institute said.

The tour is only the second time Juanita has left the country. In 1996, the mummy drew thousands of people to displays in the United States.

Researchers say they believe the girl was killed on the slopes of the volcano as a sacrifice to Inca gods.



PREMIERE — Antonio Sabato, left, Janine Turner and Robert Wagner, stars of Turner Broadcasting System's "Fatal Error," attending the Los Angeles premiere. It will be telecast in the United States on Sunday.

A Legal Wrangle Over Francis Bacon's Estate

By Warren Hoge
New York Times Service

LONDON — Marlborough Fine Art, the gallery that handled the artistic management of the British painter Francis Bacon for virtually his entire career, has had all association with his estate ended by John F. Kennedy.

Johnson told Valenti he wanted to be funny, but we all went to work. I don't remember the gags — Pierre Salinger was the butt of some, Robert Novak, too, and possibly Bobby Kennedy was also a target.

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The explanation set off alarms since the Liechtenstein office had been central to the epic scandal in New York in the 1970s over the estate of the American painter Mark Rothko that led to the ousting of executives; heavy fines against Marlborough; the conviction of its head, Frank Lloyd, for tampering with evidence, and the end of its membership in the Art Dealers Association of America.

Liechtenstein is also known as a place that affords business transactions high levels of secrecy and protection against demands for disclosure.

The Rothko case exposed sinister inner workings of the supposedly genteel art world and cast Marlborough as a preeminent in contemporary art. Among other abuses, Marlborough was found to have sold paintings to favored clients at less than market value and to have collected inflated commissions.

Lawyers for the Bacon estate are busy in four European countries and the United States tracking assets that the estate believes should go to Edwards. "They are currently putting together a case that may at some point in the near future come to court," Clarke said.

The principal lawyer for the estate, John Eastman of New York, said in a telephone interview from Saint Barthélemy that "the defining question for the estate is what is beyond what we already have."

The argument presented to Neuberger for the removal of Valerie Bestoo, a director of Marlborough London, was that entrusting fiduciary responsibility to an official associated with the gallery whose actions were being examined by the estate presented a conflict of interest.

Neither Clarke nor Eastman would specify what activities of Bestoo's or the gallery they had questioned.

Geoffrey Partoo, a director of Marlborough London, said the gallery would not discuss any aspect of the Bacon estate. Partoo said "no comment" six times in the



Bacon, who died in 1992, was "the last great existentialist."

course of a brief telephone conversation Monday, including in response to questions about whether Bestoo had been a Bacon trustee or was a director of the gallery. Court documents confirm both.

The estate has paid its taxes and does not need to raise any money with sales of major works. "We may sell a number of pictures as time goes on, but we have no plans for any kind of big sale," Clarke said. He added, "Not even a small sale, for that matter."

The South Kensington studio where Bacon worked for the last 30 years of his life was a giddy jumble of half-finished canvases, books, rags, drawings, notes, twisted paint tubes, encrusted brushes and broken furniture, with bare bulbs dangling from the ceiling and smears of paint on the doors and walls. It will be reassembled in the Hugh Lane Municipal Gallery of Modern Art in Dublin, where Bacon was born and spent the first 16 years of his life. The dismantling

has been done in archeological fashion with highly detailed placement charts so that the creative chaos that Bacon wrought in London can be precisely recreated.

Edwards, a reclusive and simple man now living in Southeast Asia, was Bacon's closest friend for the last 16 years of his life. Edwards never learned to read or write and maintained a relationship with Bacon that friends described as filial.

Clarke said he became involved four years ago when Edwards approached him perplexed about delays and problems in dealing with the estate. "He asked if I would help him to try to understand why the estate was out being wound up and he asked me to become his power of attorney. I thought it would be a very short thing, but after a while I discovered that there were, let's say, certain anomalies, problems without the resolution of which the estate could not be wound up."

When Clarke found the task more daunting than he had anticipated, he turned to Eastman, a lawyer with broad experience in the worlds of art and entertainment.

While Clarke declined to get into the details of his preoccupation over Marlborough's management of Bacon, he explained why he thought the painter's estate required special attention.

"Francis Bacon was famously disinterested and uninterested in money," he said. "He lived the life of an essentially simple man in a tiny bedsit that was heated when very cold by leaving the gas door open. He had a tiny kitchen that contained an open bath and a room with a bed and a chest of drawers."

"He was the last great existentialist," he said. "If you are an art gallery representing such a man whose chief legacy can neither read nor write and hasn't even had his own lawyer until recent years, your fiduciary obligations are all the greater because such a man could be described as 'easy pickings.'"

PEOPLE

ROMAN CATHOLICS and souvenir-hungry tourists in Rome have been scrambling to record shops to buy a copy of a new compact disk on which Pope John Paul II sings and prays in Latin. A spokeswoman for Sony Classical, which collaborated on the project with the St. Paul Society, one of the world's biggest Roman Catholic publishing companies, said that a million copies of the disk had been shipped around the world Tuesday. The Vatican released the CD, entitled "Abba Pater," to coincide with its Juillet 2000 millennium celebration.

A young actor who apparently committed suicide by hanging himself in a Las Vegas motel room had been arrested for cocaine possession and was supposed to be in court the day his body was found. David Strickland, 29, who appeared on NBC's "Suddenly Susan" and in the new movie "Forces of Nature," was arrested Oct. 31 for possession of cocaine and pleaded no contest on Dec. 21, court records show. He was put on 36-month probation, ordered into rehabilita-

tion and was to have appeared in a Los Angeles court Monday for a progress report. His body was discovered early that day by an Oasis Motel employee.

ABC and the Academy Awards broadcast took a pounding from critics after Sunday's show, the main targets being its extreme length and the performance of Whoopi Goldberg as host. Michael Davies, the ABC executive in charge of the broadcast, said that the first order of business for next year was a shorter show. "A four-hour and seven-minute Oscar show is obviously too long," he said. Many critics assailed Goldberg for some of her material, which was occasionally racier than what is generally heard on the Oscar show, but Davies praised her for performing admirably in "one of the most difficult roles in the business."

Continuing efforts to repair relations after a bruising impeachment trial, President Bill Clinton brought back gifts from his Central American trip for

Treut Lott, the Senate majority leader, and Senator Robert Byrd, the West Virginia Democrat. He sent them very large cigars. The stogies arrived with an engraved card that read, "Compliments of President Clinton." Clinton has sent cigars before to Byrd, an aficionado. As for the Lott connection, well, nobody in the Republican senator's office wanted to talk about it.

Also-Ran Speaks Out on Her Oscar Loss

The Associated Press

RIO DE JANEIRO — Fernanda Montenegro made a veiled attack on Hollywood "favoritism" after she failed to win an award for her role in "Central Station," which was also nominated for an Oscar as best picture.

The first Latin American actress to be nominated for an Oscar, Montenegro lost out to Gwyneth Paltrow. In a televised interview Tuesday, the 62-year-old actress called Paltrow "this romantic figure — thin, pure, virginal."

"They don't have much of this type of actress in American cinema. It's an investment" for them, she said.

"Central Station" lost to Roberto Benigni's "Life is Beautiful." "It didn't deserve to win," Montenegro said of the Italian film. "I think even Benigni recognized this. As a film it was weak. I thought it was just him that won, not the film itself."



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